



On Israel's side of the negotiating table yesterday were, from right, Prime Minister Begin, Foreign Minister Dayan, Defence Minister Weizman, Shmuel Katz, information adviser to Begin, attorney-general Aharon Barak and military adviser Tat-Aluf Ephraim Poran. U.S. Secretary of State Vance headed the team on the American side of the table. (Tel. Hershkovitz - Suppl.)

Weizman: Defence cuts will not reduce effectiveness of IDF

By HIRSH GOODMAN
Post Military Correspondent

Defence Minister Ezer Weizman said yesterday that the cut in the defence budget — which he insisted had been made in consultation with the Chief of Staff and the IDF — would not be detrimental to Israel's overall state of preparedness. He also assured military correspondents in Tel Aviv yesterday morning that manoeuvres and training programmes have hardly been tampered with, and that arms purchases will continue as planned.

Over IL600m. of the IL1.4 billion defence budget, while another IL500m. comes from a saving in money set aside for procurement in

Europe, but not specified in the original budget estimates. Over IL100m. will be saved by cutting from the budget amounts set aside for fuel and salaries but which would not have been utilized.

The actual breakdown of savings is IL300m. in local expenditure; IL500m. in foreign currency, and another IL500m. which the army was due to collect from the Treasury to cover price rises over the current fiscal year, but will now waive.

All in all, defence orders from local manufacturers will drop by IL52m. — a move which surprised many and which may have long-term repercussions on the civilian labour market. Weizman, however, feels that the initial impact will be

minimal, and noted that in a meeting with industry heads recently no concern was expressed on this point.

Although the slice will cut into local armaments production plans, it will not adversely affect the current process of strengthening the armed forces.

The Chief of Staff's financial adviser, Tat-Aluf Yohanan Gur, agreed yesterday that the cuts — suggested by himself and his staff, and adopted for the most part by the defence minister — would not immediately be detrimental.

He said that while IL52m. was being saved in salaries set aside for persons expected to sign up with the standing army, this amount would be "untaken" if it were needed. He stressed that the cuts would not affect the army's drive for additional manpower, nor would it affect the conditions of service of either soldiers doing their compulsory service or those in the permanent force.

Tat-Aluf Gur said money had been made available from unexpected sources. The Ministry of Communications, for example, owes the IDF around IL80m. — money which will be collected and returned to the Treasury.

Also, it was felt that both reserve days and fuel could be safely trimmed from the allotment budgeted for. The fuel could be saved without cutting actual training and flying time, he said.

He noted that the IDF had actually recommended a greater cut back in training budgets, but that Weizman had not agreed.

While expressing some reservation that Chief of Staff Mordechai Gur had made public his feelings that the cut in the defence budget was undesirable, Weizman insisted that the actual decisions as to where to cut what, had been made by the IDF.

A small cut in the food budget was achieved by introducing cheaper products and cutting down on wastage, and additional cuts made in administration costs and certain building projects.

Police team sifting through files in probe of underworld

The special police committee investigating organized crime will probe the financing of underworld operations, connections between crime chiefs, and ties with criminals abroad, the Knesset Interior Committee was told yesterday.

The Interior Committee heard testimony from police officers about the special team formed at National Police Headquarters by order of Interior Minister Yosef Burg to investigate organized crime. The team, comprised of several senior officers, has already started sifting through a vast number of criminal files and intelligence information to determine who the underworld works and who leads it.

The team is due to submit its findings to Burg in two weeks' time.

Committee member Mordechai Virshupski (DMC) said he feared the country had missed its last chance to fight organized crime since the courts and police do not appear willing to enforce the law. Yosef Tamir (Likud), pointing out the delays in criminal courts, also condemned

what he called the "authorities' failure to enforce the law."

Micha Harish (Alignment) criticized the courts for handing down light sentences for serious crimes. He proposed stepping up police presence in public places and offering prosecution witnesses in criminal trials adequate protection from intimidation and repercussions.

Panama Canal accord nearing completion

PANAMA CITY (AP). — Panamanian and U.S. negotiators worked yesterday to put the finishing touches to an agreement-in-principle to give Panama control of the Panama Canal.

U.S. President Jimmy Carter, meanwhile, urged Congressmen to hold off criticism until they see the pact. Informed sources said the negotiators want to have a treaty ready for the U.S. Congress when it returns from recess in September.

IRA slays soldier on eve of Queen's visit

BELFAST. — Republican gunmen yesterday shot dead a British soldier in retaliation for the killing of a Catholic youth and put the blame directly on Britain's Queen Elizabeth.

In a statement issued on the eve of the royal visit to Northern Ireland, the Belfast Brigade of the Irish Republican Army said: "We shot and killed a member of the Third Light Infantry this afternoon. His regiment was responsible for the murder of young Paul McWilliam."

The 16-year-old McWilliam was shot dead by troops who claimed he was throwing gasoline bombs.

The army spokesman said gunmen

used an elaborate trap for the "vengeance killing" of the soldier.

"They hijacked a van, packed it with explosives and forced its driver to drive to the gates of the military post where he shouted a warning before running off."

An army bomb disposal expert left the post, accompanied by a patrol. One member of the patrol fell to a sniper's single shot.

In another incident, a bomb exploded at the Northern Ireland University at Coleraine, which the Queen plans to visit tomorrow. The blast injured no one, and could have been designed by IRA gunmen simply to increase tension.

It was the fifth straight day of violence in a campaign by the mainly Catholic IRA's Provisional Wing to force the monarch to cancel the two-day visit.

Some 32,000 police and troops were on full alert throughout the British-ruled province, awaiting the Queen.

She is due to sail into Belfast port this morning with her husband Prince Philip and — in an unexpected move — her two youngest sons, Princes Andrew and Edward, aged 17 and 13.

There were persistent reports here that the IRA was ordering its units not to make any direct attack on the Queen, fearing that this would be counter-productive. (AP, Reuters)



British Army troops carry out security checks yesterday in the main street of Hillsborough, Northern Ireland, where the Queen will make her first public appearance during a two-day visit to the province. The streets are decorated with Union Jacks and bunting. (UPI telephoto)

Schindler coming to Israel

By MALKA RASINOWITZ
Jerusalem Post Correspondent

NEW YORK. — Amid indications of increasing U.S. pressure on Jerusalem, Rabbi Alexander Schindler, chairman of the Conference of Presidents of Major American Jewish Organizations, is due to fly to Israel today at the invitation of Prime Minister Menachem Begin.

Schindler told The Jerusalem Post yesterday he was carrying no

ISRAEL REJECTS NEW U.S. PLAN FOR PLO AT GENEVA

Begin says Vance achieves breakthrough

By DAVID LANDAU/ Jerusalem Post Diplomatic Correspondent

Israel yesterday flatly and forcefully rejected the new U.S. suggestion that the PLO might be admitted to the peace negotiations if it accepts Resolution 242. Prime Minister Menachem Begin told visiting U.S. Secretary of State Cyrus Vance

that "the PLO's philosophy is based on an Arabic 'Mein Kampf'."

At the same time, Begin hailed a "great achievement in the cause of peace" attained by Secretary Vance, he said, during his current mission.

U.S. not proposing PLO attendance: Dayan

By ABRAHAM RASINOVICH
Jerusalem Post Reporter

Foreign Minister Moshe Dayan said last night that Israel would refuse to accept PLO participation at a Geneva peace conference even if the Americans proposed it.

He made it clear that he had received no indication of such a U.S. proposal in his talks yesterday with Secretary of State Cyrus Vance.

Dayan was reacting to questions at a press conference about the possibility that PLO acceptance of UN Security Council Resolution 242 would be recognized by Washington as a landmark to recognition of Israel, thereby opening the way to PLO participation at Geneva.

"Even if the PLO will say it does accept 242 without reservations, it won't mean we will accept the PLO as a partner for negotiations," he said. Geneva, he said, is a venue for states and not for "groups."

The PLO is particularly unacceptable, he said, because its objective is the destruction of Israel. Dayan said there would be no objection to Palestinians being part of other Arab delegations, such as the Jordanian.

Dayan said he did not regard PLO acceptance of 242 as meaning its renunciation of the Palestine "Covenant" which calls for the dismantling of the Jewish State.

The foreign minister said Israel opposed "foreign rule" — including Jordanian — over the West Bank or Gaza. In these territories, he said, Israel hopes to find a way towards "living together" with the local populations. Israel would not pull back to the pre-1967 borders, he said, and would oppose the creation of a Palestinian state.

Israelis prepared for a pullback in Sinai that would "answer Israel's needs," he said. Israel is also prepared to negotiate with Syria on the Golan and to arrive at a peace treaty with Lebanon. These points represent Israel's present position, said Dayan, and are not pre-conditions to negotiation.

Asked by an American reporter whether Israel would be prepared to pull back from the West Bank and

Gaza within the context of an overall agreement, Dayan said he hoped what the achievement was, adding only that there had been "a breakthrough in the peace-making process." He would reveal more in a day or two, he said.

Some sources close to Begin explained that what was meant was the Arabs' agreement to attend preliminary talks in New York next month. Others said the achievement was the Arabs' agreement to seek legally binding peace treaties with Israel.

Begin maintained that "the reality is not as dark as this press has painted it these last 24 hours."

In a similar vein senior officials travelling with Vance maintained that the future that has arisen out of the latest American statements on the PLO would be put back into perspective during the course of the Secretary's visit to Israel.

Some observers deduced from all this that America's intention in raising the possibility of the PLO accepting 242 and being admitted to Geneva was planned — with this cognizance of the Arab states — as a "two-way street" — which it has not as yet done — then Washington would indeed back its participation at Geneva. But if it spurns the American suggestion — then the U.S. and the Arab moderates would be free to proceed towards Geneva without the PLO.

Whatever the aims behind the new American suggestion, Begin took the opportunity of an after-dinner toast last night to deliver to Vance a somber lecture on the purposes and methods of the PLO.

"It is a very serious matter to us, our dear friend Mr. Secretary," Begin declared.

The Premier said he would speak in allegorical terms of a make-believe country called "Eunland" whose basic philosophy was "Mein Kampf." "We are not a Jewish state, we are a Jewish people," he said. "We are not a Jewish state, we are a Jewish people," he said. "We are not a Jewish state, we are a Jewish people," he said.

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Confrontation could lead to campaign against Carter policy

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Top White House political aides are nervously awaiting the outcome of Secretary of State Cyrus Vance's current round of talks with Israeli leaders. They believe a possible U.S.-Israel confrontation could result in a major campaign against the Carter Administration's Middle East policies by the American Jewish Community and other supporters of Israel here.

White House aides, including Hamilton Jordan, Robert Lipshutz and Stuart Eizenstat, are hoping that Vance will be able to smooth over differences with Prime Minister Menachem Begin and thereby avoid

a split in U.S.-Israel relations. Spokesmen for American Jewish organizations are also hopeful that such a rift can be avoided. But they are warning that if a major confrontation does occur, a major campaign to counter any "backtracking" of U.S. commitments to Israel on the Palestinian question.

The American Jewish leadership is so far taking a wait-and-see attitude, declining to issue public statements. But privately, these leaders are leaving no doubt that they would oppose a shift in America's position toward the PLO.

Political aides in the White House are anxious to introduce a resolution to begin a campaign against the PLO. Hamilton Jordan, was brought into the delicate world of Middle East diplomacy some three months ago because of the domestic ramifications of U.S. policy.

Since then, Jordan and others have

carefully monitored domestic reactions to Carter's Middle East initiative. Over the past few weeks he has met with several top American Jewish leaders, including Rabbi Alexander Schindler, chairman of the Conference of Presidents of Major American Jewish Organizations.

According to White House sources, the administration is currently faced with a major dilemma. If the U.S. continues to refuse to deal with the PLO once that organization agrees to accept UN Security Council Resolution 242, Washington would stand to lose its credibility in the Arab world, especially in Saudi Arabia, which appears to be orchestrating any possible shift in the PLO stand.

On the other hand, any U.S. embrace of the PLO would upset Israel and its backers here.

Some administration sources sympathetic to Israel are in fact hoping that the PLO does not come around and accept the resolution as it now

reads. "It would make our life much easier," according to this source, who is primarily concerned with domestic politics.

Middle East experts here are making the point that the U.S. will not — in fact, cannot — accept any modification of Resolution 242 without first breaking its 1975 Sinai II pledge to Israel.

These experts also assert that the PLO will demand, at a minimum, some modifications in the resolution, recognizing "Palestinian rights." Any such change, however, would certainly be opposed by Israel, which regards this phrase — as used by the PLO — as a codeword for the destruction of Israel.

American Jewish activists here are upset that Vance appears to have dropped two of the three earlier conditions he had set for PLO participation in the negotiations. During his February swing through the Middle East, Vance said the PLO would

(Continued on page 2, col. 5)

NEWS SPOTLIGHT/ By Anan Safadi and David Bernstein

U.S. closes gap with Arabs in attempt to isolate Israel

U.S. Secretary of State Cyrus Vance last night began his talks in Jerusalem against the background of what is perhaps the most ominous shift in U.S. Middle East policy since the establishment of the State of Israel.

The basic U.S. strategy now appears to be to ignore the seemingly unbridgeable gap between Arab and Israeli positions in favour of narrowing as far as possible the gap between itself and the Arab states. The aim of such a policy would seem to be to isolate Israel and brand it as the sole party that refuses to make what on the surface appear to be the "reasonable" compromises essential if a Middle East settlement is to be achieved.

This represents a shift from past attempts to nudge Jerusalem into line through veiled threats of, or even actual, material pressure, to a more subtle attempt to achieve the same end through the application of psychological and political pressure.

The one obstacle to this American strategy has been the Palestine Liberation Organization. So long as it remained committed to the destruction of Israel and refused to accept the only agreed basis for any peace negotiations, UN Security Council Resolution 242, it could hardly be presented as amenable to any kind of reasonable compromise with Israel.

But this week has seen the clearest signs yet that the U.S. is heading over backwards to make even the PLO, the most irreconcilably opposed of all Israel's enemies, appear

moderate and respectable.

On Monday, President Jimmy Carter announced in Ploos, Georgia, that should the PLO declare that it accepts 242, even with the proviso that the Palestinians should be considered to have a status other than that of mere refugees as defined in that resolution — "that would suit us okay."

Simultaneously, State Department spokesman Hoddin Carter went still further, in Taef, Saudi Arabia, to suggest that by accepting 242 the PLO could get round its charter which considers Israel "null and void."

The spokesman explained that "the acceptance of UN resolution 242 would accomplish the same purpose as changing the charter."

This has left the way wide open for the PLO to join the camp of "moderate" Arab states, who in the past week displayed an unprecedented readiness to play along with the new U.S. strategy. Egypt, Syria, Jordan and Saudi Arabia are all party to an agreement which was obviously designed to bring them as far as possible into line with known U.S. Middle East positions — especially concerning the concepts of peace, boundaries and future Palestinian "homeland."

Palestinian reaction so far appears to be confused. Yasser Arafat, the head of the PLO's information department, immediately rejected the U.S. overture as a manoeuvre aimed at neutralizing the PLO and "splitting the Arab countries still further." At the same time, he said, "the PLO's philosophy is based on an Arabic 'Mein Kampf'."

(Continued on page 2, col. 5)

Tourists! LEATHER ONLY! TEL AVIV 25 ZAMENHOFF

WOMEN'S & MEN'S SUEDE & LEATHER WEAR

Schneidman

TEL AVIV 25 ZAMENHOFF

TEL AVIV 25 ZAMENHOFF

TEL AVIV 25 ZAMENHOFF

Schindler coming to Israel

By MALKA RASINOWITZ
Jerusalem Post Correspondent

NEW YORK. — Amid indications of increasing U.S. pressure on Jerusalem, Rabbi Alexander Schindler, chairman of the Conference of Presidents of Major American Jewish Organizations, is due to fly to Israel today at the invitation of Prime Minister Menachem Begin.

Schindler told The Jerusalem Post yesterday he was carrying no

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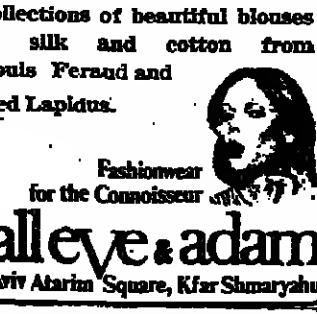
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Golan	27	18-31	31
Nahariya	61	18-30	30
Safed	28	22-30	30
Haifa Port	28	24-28	30
Thessalon	42	22-26	26
Nazareth	42	22-26	26
Afula	42	22-26	26
Shomron	57	18-28	28
Tel Aviv	65	23-28	29
B-G Airport	50	20-31	31
Jericho	28	22-28	28
Gaza	28	22-28	28
BeerSheva	44	21-33	33
Eilat	15	27-41	42
Tiran Straits	13	27-39	39

SOCIAL & PERSONAL

Interior Minister Yosef Burg yesterday met with Britain's Ambassador, John Mason.

Knesset Speaker Yitzhak Shamir yesterday met with Mexico's Ambassador, Roberto Casillas Leal.

Archimandrite Serafim, outgoing head of the Russian Orthodox Church in the Capital, yesterday paid a farewell visit to Mayor Teddy Kollek.

Mrs. Helen Frankley of Ne'ot Kedumim Park will speak at the Dream Being Realized, at today's meeting of the Haifa Rotary Club, Not Hotel, 1 p.m.

ARRIVALS

The UJA's Atlanta singles mission, yesterday.

COSTA RICA Ambassador Manuel Carballo Quintana yesterday presented a gift of books from his country to the Jewish National and University Library. Library director Prof. Reuven Yaron said that the Hebrew University would reciprocate with a gift of books to Costa Rica.

Yadin defends Rubinstein, Amit against Zorea charge

By JOSHUA BRILLIANT
Jerusalem Post Political Reporter
Yigael Yadin, the leader of the Democratic Movement for Change, yesterday defended MKs Meir Amit and Amnon Rubinstein from the accusations that they torpedoed the coalition negotiations and were undermining the peace process.

The charges leveled by DMC MK Meir Zorea last Thursday appear to have reverberated throughout the movement. Amit and Rubinstein yesterday discussed the matter with Yadin.

In a letter circulated among DMC council members, Yadin wrote that "at no point in the coalition negotiations did I encounter anything on the part of Rubinstein and Amit which could have harmed the negotiations or subverted them."

On the contrary, they were loyal partners both to me and the other members of the negotiating team. That's why I was shocked to hear Zorea's accusations.

"I assume full responsibility for the way the negotiations were held and their conclusions. Any attempt to determine that the negotiations were purposely or indirectly foiled

because of MKs Rubinstein's or Amit's behaviour has, to my mind, no basis," Yadin wrote.

Yadin also wrote that "to the best of my knowledge there is no truth in Zorea's claims about acts of subversion in the movement."

Zorea told Yadin last Thursday that "you don't know who is destroying your movement." But yesterday Zorea declined to comment on Yadin's letter except to note that he had also blamed the coalition members for responsibility in the failure of the talks.

Yadin's letter said that Zorea's apology for the manner in which he (Zorea) attacked his two colleagues "was no doubt the first right step that could have been expected" from him.

But reacting to the fact Zorea stood by the contents of the accusations, Yadin wrote: "This is a grave deed according to all the criteria we want to find in our movement."

Meanwhile, the movement's control committee reported it had begun discussing Zorea's request for a ruling on what he should do in view of the secretariat's request he consider his continued membership in that forum. No details were revealed.



Tat-Aluf Binyamini

Binyamini to head army intelligence

Post Military Correspondent
Aluf-Mishne Haim Binyamini was named Chief Intelligence Officer of the IDF on August 5. It was announced yesterday. He replaces Tat-Aluf Dov Tamari — the first officer ever to hold the post — who has been transferred to another senior post.

Binyamini, 38, was promoted to the rank of Tat-Aluf when he assumed the position created on the basis of conclusions drawn from the Yom Kippur War. The Chief Intelligence Officer comes under the O.C. Military Intelligence, currently Aluf Shlomo Gazi.

Binyamini, who originally served in the paratroops, joined the IDF in 1957. A former commander of the Golan Infantry Brigade, he was operations officer of the general staff in 1973, and one of the key planners of the successful anti-terrorist raid on Beirut in February of last year. Before assuming his current position, Binyamini, who is a graduate of Hebrew University, held a senior post in intelligence.

'Oui' for IPO

The Israel Philharmonic Orchestra has been receiving unrestrained praise in France for its production of Beethoven's opera "Fidelio."

Every Paris newspaper — not excepting the communist daily "Le Peuple" — was unstinting in its praise of Zubin Mehta's conducting of the work. "Le Monde" wrote on Monday: "No music lover experiences an evening like this more than three or four times in a lifetime."

The huge Roman theatre at Orange was sold out some two months ago, and the 12,000 auditors who attended the first performance on Sunday night gave Mehta and the orchestra a standing ovation which lasted some 30 minutes after the last note was sounded. French television filmed the production on Monday.

From France, the IPO goes on to Austria, where it will take part in a festival devoted to the works of Leonard Bernstein.

Zulus to play Macbeth

"Umabatha," a Zulu theatrical company from South Africa, arrived here yesterday from London to perform Shakespeare's "Macbeth" at the Israel Festival. The 45-member troupe were met at the airport by impresario Roman Messinger and a representative of the South African Embassy.

A group spokesman said that despite past difficulties (another Israeli impresario had originally planned to bring them here) they were pleased to be in the country. Their premiere is scheduled for tomorrow night at Jerusalem's Binyanei Ha'Ooma. (Tim)

Supermarket bomb safely defused

TEL AVIV (Itim). — A small bomb, made up of a handgrenade with a timing device attached, was discovered and safely defused in a supermarket in the Maoz Aviv quarter here yesterday morning.

The bomb was discovered behind a row of mannequin bottles by a shop employee, who immediately notified his manager. The manager removed the bomb, which was in a plastic bag, ran out of the shop and placed it on a lawn some distance away.

Police sappers arrived to defuse the bomb, while all the shelves in the supermarket were thoroughly searched. About 50 suspects, mostly Arabs from the administered territories, were rounded up and held for questioning.

Committee discusses civil defence

The Knesset Defence Committee discussed the preparedness of the Civil Defence Corps (CDC) in the event of aerial and artillery bombardment of civilian targets at its weekly meeting yesterday.

Aluf Avraham Tamir, Chief of Planning on the General Staff, and Tat-Aluf Yitzhak Zaid, head of the Civil Defence Corps, participated.

Haifa police probe tip on fuel hike

Jerusalem Post Reporter
HAIFA. — Police here have found no evidence to support the claim by a local petrol station owner that an "anonymous senior official" had tipped him off about the impending fuel price rise several hours before it happened last month.

This Jerusalem Post has learned that the police made an exhaustive investigation into the claim, made by Nissim Matza, and has sent its conclusions to national police headquarters in Jerusalem. There was no indication of the identity of the alleged senior official.

The investigation revealed that a customer did tell the station staff that evening that the price rise would take effect that night. However, this was believed to have been typical of the speculation at the time about the government's intentions to institute new fiscal measures. In this case, it turned out to be a lucky guess.

Allenby Bridge operations slowed down yesterday due to electrical repairs

Operations were slowed down yesterday due to electrical repairs.

Lebanese officer dies in Nahariya

TEL AVIV (Reuter). — A senior Lebanese Phalangist commander died of his wounds in the Nahariya Hospital yesterday.

Major George Farah, commander of Alma e-Shaah village in southern Lebanon and a senior commander of the right-wing forces, was wounded in an ambush near the village by Palestinian terrorists on Monday night and rushed to Nahariya together with three other men injured in the clash.

Farah's coffin was taken back to Lebanon yesterday with full military honours. Senior Israeli officers and officials, and Israeli Maronite Christian leaders were at the border to attend a short, simple ceremony to hand over Major Farah's body.

Israel rejects

(Continued from page one)

hall in the Knesset in honour of Secretary Vance, was the first state banquet hosted by Begin since he became Prime Minister seven weeks ago. The leader of the Labour Alignment, Shimon Peres, former Premier Yitzhak Rabin and former Foreign Minister Yigael Allon sat together at the centre table with the Ministers of the Likud-led Government and senior State Department officials. At the head table, together with Begin, Mr. and Mrs. Vance and Foreign Minister Moshe Dayan and Mrs. Rahel Dayan, were the Knesset Speaker, the President of the Supreme Court, the State Comptroller, Jerusalem Mayor Teddy Kollek, the Dean of the Diplomatic Corps, U.S. Ambassador Sam Lewis and Ambassador Simha Dinitz and their wives. General Ezer Weizman, the chief coordinator of the UN Peacekeeping forces in the Middle East was among the close to 200 guests.

U.S. officials accompanying Vance last night ruled out the possibility of a meeting between the Secretary and PLO leaders in Alexandria. They were commenting on reports that Egyptian President Anwar Sadat had agreed to host such a meeting tomorrow.

Egyptian Foreign Minister Ismail Fahmy was yesterday reported to have called the newly established Egyptian-Palestinian "Coordinating Committee" to an urgent meeting in Alexandria. The call was said to have been prompted by an urgent message Fahmy had received from Vance concerning the question of the PLO's acceptance of UN Security Council Resolution 242.

Spokesmen for the PLO's various factions continued yesterday to give divergent reactions on the issue, with radicals leading opposition to the acceptance of 242 and others declaring their preparedness to consider it.

The Palestine News Agency, Wafa, the PLO's official mouthpiece, however, indicated that the PLO leadership would accept the resolution only if it is amended. The agency said the Security Council resolution should be brought into line with UN General Assembly decisions which regarded the Palestinian problem as that of a nation entitled to statehood rather than one of refugees.

The Palestine Central Council (PCC), called to meet in Damascus on August 15, has been postponed till August 25. It was announced last night.

That Syria and Saudi Arabia are prepared to apply pressure on the PLO is clear. Syria has already demonstrated in Lebanon that it has both the muscle and the willingness to use that muscle, ruthlessly if necessary, to bring the PLO into line. Saudi Arabia has its own reasons for using its financial strength to curb the more recalcitrant elements in the PLO, now more than ever: for with all the confrontation states now firmly in, or moving towards, an alliance with Washington, the Palestinians are the only party directly involved in the conflict still potentially susceptible to influence from Riyadh's arch enemy in the area — the Soviet Union and its local proteges, Iraq and Libya.

Egypt, the third party to the alignment of Arab "moderates," would be more than willing to back up any pressure that Syria and Saudi Arabia might care to bring to bear on the PLO — for it, perhaps more than any other state involved in the conflict, is anxious to keep the current U.S. initiative about Cairo would also like to be in a position to assert some kind of influence over the PLO itself, and this would not be possible if the organization were to be won over into the radical Arab camp, which includes Sadat's chief rival Mawmmer Gaddafi of Libya.

Jordan is the one party to the recent alignment of Arab moderates that must still harbour some misgivings about the current drive to give the PLO "respectability." But there would appear to be little that Amman can now do to thwart that drive.



While Secretary of State Cyrus Vance, US Ambassador Samuel Lewis, and Foreign Minister Moshe Dayan were busy negotiating yesterday, their wives visited the Israel Museum. Left to right: Mrs. Vance, Mrs. Lewis, Mrs. Dayan. (Ed Hershovitz, Sunphoto)

Closing the gap

(Continued from page one)

time a PLO spokesman in Beirut, Mahmoud Lahadi, said that his organization would "consider" acceptance of Resolution 242 if it were amended to "recognize the legitimate national rights" of the Palestinian people. A third unidentified spokesman in Cairo welcomed President Carter's suggested formula for acceptance of 242, adding to the proviso for "more than refugee" status for the Palestinians, a further proviso recognising their right to choose between repatriation or compensation for property in pre-1967 Israel.

Meanwhile Egyptian Foreign Minister Ismail Fahmy summoned a newly established Egyptian-Palestinian "coordination committee" to discuss what was referred to as an urgent message from Vance.

These varying reactions are a clear indication of confusion within the PLO as a result of the rapprochement between the U.S. and Syria and Saudi Arabia, the two Arab states with most influence on the PLO.

It is still too early to see how the PLO is going to resolve its internal conflicts. But there is every indication that the hard-line "rejectionists" in the movement are coming under far greater pressure from Damascus and Riyadh than are the so-called "moderate" majority from the "radicals" in the Arab camp. For Iraq and Libya, although they see any such collusion with the Americans as an anathema, are powerless to do anything about it. That Syria and Saudi Arabia are

CRIME REPORT

Wimpy denies alleged underworld ties

Jerusalem Post Staff
The board of directors of the Wimpy meat and hamburger consortium yesterday vehemently denied allegations in yesterday's "Ha'aretz" that two central underworld figures were once shareholders in the company.

Reporter Avi Valentin in his series about organized crime had alleged that Rahamim Aharoni and Yuvia Shiri, two men he said were central figures in Tel Aviv's organized crime, had invested in Wimpy after his owner Boris Kishon died. Kishon died after a group connected with Oshri and Aharoni had extorted millions from the British financier, according to Valentin.

The "Ha'aretz" article also alleged that Aharoni — who owns a part in several meat processing plants — bought shares in the Banjo meat company in which Wimpy was also a partner.

Aharoni's attorney told a court in 1975 that Wimpy had cut off all its connections with Aharoni after he was arrested in 1970 on suspicion of burglary.

In its statement yesterday Wimpy denied that either Aharoni or Oshri had been connected to the firm at any time, and said its attorney was considering suing Valentin and "Ha'aretz" for libel. But Valentin claims that when police photographed Aharoni's address book recently while probing a currency case they found the name of one of the managers of Wimpy.

Among other names Valentin said police found in Aharoni's address book was that of Bezael Mizrahi, who was identified in a previous article as an underworld chief.

Mizrahi, an hotelier and contractor, has in the meantime been charged with not passing on to the tax

authorities money he deducted as income tax from subcontractors who worked for his Elbazhi contracting firm. Mizrahi has claimed that the advances he has paid to the tax authorities for his own income tax are more than he owes them — IL575,000.

But Income Tax Commissioner Eliezer Shilon said yesterday that the fact that Mizrahi had paid advances for his taxes this year had no connection to the other alleged offence and that tax investigators would not drop the charges against Mizrahi. The normal procedure for closing tax files of this type (not tax evasion) is to pay the whole sum at once together with an administrative fine set by the income tax authorities. But this way out is barred for persons who have been convicted for previous tax offences. Mizrahi was fined IL50,000 several months ago for a tax offence.

Suspected of IL640,000 fraud

TEL AVIV (Itim). — A Holon resident suspected of using various tricks to defraud several people of a total of IL624,000 was brought before a magistrate here yesterday.

Shlomo Doron is suspected of persuading a woman he met three months ago to open a current account in her name while giving him signed cheques. Doron, a police investigator claimed, gave the woman IL500 and then proceeded to cash cheques for a total of IL415,000 in her name with out any cover.

The woman, who was not identified by name, was not Doron's only victim, police said. He persuaded Micha Maor to give a third person a

bank guarantee for IL60,000 on Doron's behalf. He also borrowed IL34,000 in cash from Maor and allegedly forgot to return the debt.

Another one of Doron's alleged activities related by the police investigator was in the use of car without a licence. He is suspected of buying three cars for a total of IL115,000, paying IL20,000 in cash as a first instalment and giving uncovered cheques, as the balance.

Police did not object to Doron's release but said they would like to be set at a high sum. His attorney argued that he is a married man and would turn up at his trial and the magistrate set bail at IL35,000.

Man remanded in IL1m. coin theft from T.A. museum

TEL AVIV (Itim). — A man suspected of stealing valuable ancient gold and silver coins worth IL1m. from the Ha'aretz museum in Ramat Aviv last month was remanded yesterday for 10 days by a magistrate here.

Vital Distelle was arrested after he tried to sell three old Dutch coins to a collector. A museum official said the three coins — which the police have recovered — are the only ones of their kind in the country.

Distelle tried to sell the coins at a numismatic club where he left his name and address for interested buyers. The museum's numismatic expert said Distelle had scrubbed the coins before allegedly offering them for sale — something that collectors never do.

A cleaning woman at the Ha'aretz museum has allegedly identified Distelle as the man who prowled around the museum several days before burglars climbed through an air duct to steal the coins.

CHANDLERS. — A Tel Aviv man told police yesterday that thieves had stolen chandeliers worth IL200,000 from his vehicle which he left on the Jerusalem-Tel Aviv highway after it broke down.

YESHIVA SUSPECT. — Avraham Gafol, a yeshiva student from Kiryat Gabot in Be'er Yehuda, was released yesterday on IL20,000 bail by a Tel Aviv magistrate after customs inspectors claimed he is suspected of smuggling 350 colour cine films into the country through Ben-Gurion Airport.

SINGER RELEASED. — Popular singer Dvora Havkin was released on IL5,000 bail in an appeal to the Tel Aviv District Court yesterday after a magistrate ordered her remand for eight days on suspicion of buying about 50 grams of hashish. A police representative did not oppose Havkin's release on bail after her attorney told the court she had cooperated with the police.

BOMB SUSPECTS. — Avraham Hen, 22, and Gavriel Hudra, 44, were remanded yesterday for 10 days each by a Haifa magistrate on suspicion that they laid a small explosive charge at the door of the Grinberg family on Rehov Masada in Haifa on Sunday night. The Grinberg's son, Moshe, is due to testify in an extortion trial and police believe the explosion at his parents' door was meant to intimidate him.

SENTENCED. — A young Beduin was sentenced to three years imprisonment at the Tel Aviv District Court yesterday for violently molesting a young woman in an orchard near Tel Hahomer three weeks ago. Muhammad Alsayad is deaf and dumb and pleaded guilty to the offence with a special interpreter.

IDENTIKIT. — An Identikit portrait



Government to discuss freeze on employment

By SHLOMO MAOZ
Jerusalem Post Reporter

The government next week will discuss a proposal to freeze employment not only in the government but also in all organizations, public bodies and institutions which are financed from the budget. Finance Minister Simcha Ehrlich told the press yesterday in Jerusalem.

The freeze would include the local authorities, the universities, the national insurance, government corporations and other institutions which are supported by the government. They would be required not to engage new employees.

Speaking of the compensation for the recent price hikes, Ehrlich said that he would not agree to any compensation beyond the regular Cost-of-Living allowance under the existing agreements. According to calculations made by representatives of the Treasury and the Histadrut, wages would be compensated by the October Cost-of-Living allowance for only 1.3 per cent out of the price increase of 4.6 per cent caused by the recent cuts in the subsidies and other price increases. This rest of the compensation will be reflected only in the C. of L. allowance of April 1978.

Ehrlich further said that he plans to table the 1978/79 budget in the Knesset on January 2, 1978, and all Treasury departments have already been instructed to prepare the new budget. By the end of August and in September, instructions will be given to all Ministries and, after consultation between them and the Treasury, the budget will be presented to the government by the end of October.

After discussion by the cabinet, a final round of discussions with the various Ministries, with a view to cutting their requests, will begin at the beginning of November.

Ehrlich added that it will take a few years until the traces of the previous government's activities disappear.

The Finance Minister also disclosed the details of the wage agreement with El Al's air crews, as approved by the government's Wage Committee. According to the new agreement, a quarter of the air crews' foreign currency salary will be converted into NIS and will be subject to income tax. This rest will be increased by El Al, that is — the company will pay the income tax due on it. This, in effect, means a substantial increase in gross salaries. In addition, air crews will of course benefit from the increase in the NIS value of their salaries with every devaluation.

Ehrlich also spoke of the problem of bookkeeping by the diamond industry and said that the Treasury does not intend to make exceptions or grant special treatment to any industry. Residents of East Jerusalem will also have to pay taxes according to the law. The Treasury will, however, alleviate procedures within the existing law for grocers.

Ehrlich added that he had recently visited the office of the Income Tax Administration and had come out depressed by the conditions in which officials have to work. "These conditions," he said, "have not changed since Ottoman times." He added that the Treasury means to take steps to attract more people to the Tax Administration.

Ideas to reform tax-reform

Jerusalem Post Reporter

TEL AVIV. — Reforming the tax-reform is proposed in a memorandum drawn up by Avner Ben-Yakar, chairman of the Federation of Chambers of Commerce.

Ben-Yakar, in his capacity as head of the tax panel of the federation coordinating committee, attacks the problem from several angles.

Today a person pays 25 per cent tax on an annual income (after personal deductions) of IL40,000. But because of the inflationary spiral incomes have risen, while purchasing

power has gone down. Ben-Yakar would like to raise the ceiling of this bracket to IL60,000. Some 50 per cent would be paid on the next IL60,000 up to IL120,000, and so on, at present, on the next IL41,999 up to IL60,000 and so on.

The highest rate, 60 per cent, would be paid by anybody earning an annual income of IL600,000 a year. At present, the 60 per cent is paid by anyone earning more than IL41,000 a year.

He would also like to lower company tax from 61 per cent to 48 per cent "in order to encourage companies to accumulate capital to plough back into their firms." Such investments would spare these companies from having to appeal for funds to outside sources, especially government offices. Of the 48 per cent, 20 per cent would be a "company tax," and the remaining 28 per cent would be income tax on the company's earnings.

Ben-Yakar also favours doing away with a long list of indirect taxes and replacing them with the Value Added Tax.

to the rate of devaluation. Although the higher payments were made retroactively, the new procedure is simpler and eliminates unnecessary delays.

The minister said the Treasury intends to improve the profitability of exports which, according to estimates, declined by 2 per cent in the second quarter of the year.

He also announced that an economic advisory council will be set up next week and will include bankers, university economists, industrialists and representatives from Hevrat Ha'ovdim, the Histadrut's holding company. The council will begin its work by the end of this month.

Ehrlich added that insofar as there has been discrimination in favour of Hevrat Ha'ovdim, this will now be eliminated.



Prime Minister Menachem Begin took with him to the U.S. last month this portrait of President Jimmy Carter painted by 72-year-old Rivka Yanai. The

former partisan leader earns her living painting portraits of people in Tel Aviv coffee houses and hotels. (Nachum Gutman)

Too many mosquitoes in the world

By NAIM SHAPIRO
Jerusalem Post Reporter

The mosquitoes have won the world battle against malaria, which still kills one million people a year.

Despite a World Health Organization resolution in 1955 to eradicate the disease, which is carried by a certain type of mosquito, the WHO has had to announce its failure. The Jerusalem Post was told yesterday by Charles Greenblatt, head of the department of protozoology of the Hebrew University-Hadassah Medical School, and Sanford Kuvshin, chairman of the board of the university's Centre for Infectious and Tropical Diseases.

They said that the WHO announcement was directly linked to the realization that health authorities could not kill all the malaria-carrying mosquitoes in the world.

The realization followed a world outcry against the use of DDT, combined with the oil price rise, which pushed up the cost of the oil-based insecticide. The authorities also found that mosquitoes did not respect national boundaries and tended to stray back into the countries which had eliminated the disease.

Prof. Greenblatt and Dr. Kuvshin, in announcing that an international symposium on malaria will be held next week in Jerusalem, reported that Israel is one country which has rid itself of malaria. However with the rapid increase in infection which followed the end of DDT spraying, there remains the constant danger that a traveller may bring malaria into the country and cause a new outbreak. The two noted that Israel still has the Anopheles mosquito which carries the disease.

The hope for the future lies in the fact that malaria is an infectious disease against which immunity can be built up. There was recent progress in this direction

when two American doctors succeeded in isolating the malaria virus.

The problem now is to develop a vaccine weak enough to prevent serious infection, which can be produced on a commercial basis. The two admitted that this development is largely based on trial and error — subjecting the virus to a long series of tests. Kuvshin, who has conducted research in malaria, predicted that the vaccine is only a matter of time.

Meanwhile, the investigators face a series of problems. The one animal that carries the human disease is a species of monkey found in South America. But the monkeys needed for the experiments are hard to get. In one case, Greenblatt noted, a shipment headed for Israel was hijacked and diverted to Egypt.

The budget for malarial research is small, about \$20m. for the entire world, compared to the \$300m. spent on cancer research in the U.S. alone. The Western countries that once were concerned with the disease are losing interest.

But malaria still kills over a million people and affects about 500 million people a year. In some developing countries, it has become so prevalent that it is considered a natural cause of death.

Next week's conference at the Diplomat Hotel will include scientists from Israel, the U.S., England, Holland, Nigeria, and Sri Lanka. The two stressed that much of the credit for the conference goes to the late Dr. Aviva Zuckerman, who died in May this year. Dr. Zuckerman was instrumental in setting up the university's centre. The centre pools the existing talents of local scientists in this field, without bringing in additional personnel.

Yamit residents want to run the town

By ZVI ARENSTEIN
Jerusalem Post Reporter

YAMIT. — Local residents are planning to ask for independence from the Construction and Housing Ministry when Minister Gideon Peas visits here today.

This seaside development town has been run and financed, since its inception less than two years ago, by a special "establishment staff" of the ministry which the local citizens' council feels has neither adequate

power nor a large enough budget to carry out the functions it has taken upon itself.

Citizens council chairman Yisrael Niv will ask Peas to establish a council, headed by an official of the Ministry of the Interior, and not connected to the Ministry of Construction and Housing. At least 50 per cent of the members of Niv's proposed "council" would be Yamit residents.

The proposed body would build up a network of committees, composed

of Yamit residents, which would be responsible for running municipal services until a full-fledged local council is established. The citizens council feels that this system will more adequately prepare residents for the day when they will have to run the town on their own.

Other subjects slated for discussion are improvements in Yamit's industrial and situation employment, additional tourist facilities, and increased private investment.

All that's buried at Tel Akko may be trampled into oblivion

By MORDECHAI ERANNE
Jerusalem Post Reporter

ACRE. — A great national treasure lies buried next to Acre's football field, but there is not enough money to dig it all up and preserve it properly, according to Moshe Dotan of Haifa University.

Dotan, head of the department of ancient maritime civilizations at the university's Centre for Maritime Studies, is in charge of the archaeological excavations at Tel Akko, better known to Acre residents as Tel Napoleon. With the fourth season at the dig ending this week, he feels it has been the most productive and successful to date.

But worry is mixed with Dotan's joy. As the season ends and the real work on the finds is about to begin — requiring about 30 days for every day at the dig, the site will be left untended and subject to the trampling feet of passers by, Beduin and their flocks and the winter rains.

Dotan dreams of being able to continue the digging eight more seasons and of turning the entire tel into a vast regional project and a tourist attraction. He hopes the public will be made aware of its importance and will respond with contributions.

In its present form, the dig only costs "several hundreds of thousands" per season, mainly because it is staffed largely by volunteers and foreign students who come at their own expense and pay their own room and board. This year they included students from the U.S., England, Germany, Sweden, and New Zealand.

Working often with their bare hands, the volunteers exposed a large brick building at the top of the tel, where large quantities of pottery and artifacts were found. The rectangular building appears to have been used for ritual purposes and is the first to have been discovered in Acre. It dates from the 17th Century B.C.E. Around its walls were found graves of adults and children, all containing pottery and jewellery.

In another portion of the tel, diggers uncovered several layers of cities, dating back to the 20th Century B.C.E. Found were some showing scenes from a Dionysian ritual.

and a whole pot of a type found only once before in Lachish and believed to have been imported. The Dionysian scene also has been found in Israel only once before, in Samaria before World War I.

The layers of cities show well-preserved portions from the Canaanite period, the Phoenician period, the Assyrian period and the Persian period. These finds reveal much not known previously about Acre in ancient times, indicating it is considerably older than believed.

Dotan is confident that interest in the dig will grow as the reports of the finds become known. The first report on the dig's first season was recently published in the "Bulletin of the American Schools of Oriental Studies."

Meanwhile, however, the cost is being financed by a public committee headed by industrialist Sol Golan. The city of Acre, although sympathetic to the project, cannot even afford to relocate the football field which has already ruined part of the tel, much less invest large sums in the dig.

8,000 active in technical youth clubs

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — Forty-one clubs, with 8,000 members between the ages of 11 and 18 are now in operation throughout the country. The clubs, from Kiryat Shmona to Mitzpe Ramon, are run by the Society for Technical Youth Clubs.

Several hundred youngsters met yesterday at Tantura beach, south of Ashtik, for the annual competition of sailing boat models, plastic tube missiles and powered model airplanes.

The clubs, open after school hours, aim at fostering vocational talents through the construction of progressively more complex models, from sailboats to electronic equipment.

For the northern area villages, the society has inaugurated a mobile club, with instructors and equipment, which visits each village once a week.

The society, with the aid of the Labour Ministry, recently opened special clubs for problematic youths to encourage creative work and help them fit into society. At present, 12

such clubs deal with 370 boys and girls. Another scheme introducing girls to hospital work has proved successful in Haifa, with most of the 12 girls in the group planning to train as nursing staff. The scheme will be extended to other cities.

The Haifa branch is organizing a mobile workshop to visit elderly people and help with household repairs and painting jobs on a voluntary basis.

Yosef Ami, former vice-president of the Technion, is the society's newly-elected chairman.

Histadrut preparing for full convention

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. — Eight subcommittees have been appointed to help plan the Histadrut convention which will meet in October in Jerusalem. Histadrut secretary-general Yeruham Meshel announced here on Monday.

Meshel, speaking before the full membership of the 101-delegate convention planning committee, mentioned some of the policy issues he hopes the convention will decide.

Half the representatives in all Histadrut bodies, starting from the Central Committee, should be from trade unions, workers' committees and labour councils, Meshel proposed. The new central committee should be a 30-member group with 10 members having portfolios and the other 20 representing the workers directly. Greater representation of women is another reorganizational goal, he said.

Meshel also wants the convention to pass new by-laws for workers' committees and to provide their members with frequent educational courses and other services.

Histadrut regulations should also be changed to require secret ballots when workers vote on whether to strike, he said, and a strike endorsed by two-thirds of the workers should be recognized by the Histadrut even if the local labour council did not approve it.

Conditions in the country's prisons will be substantially improved, with steps being taken to reduce the problem of overcrowding by accelerating the completion of various new building projects currently under way.

This was decided at a meeting in Jerusalem between Interior Minister Yosef Burg and Prison Commissioner Gundar Eyal Levi, the

Another organizational change suggested by Meshel is the restructuring of regional labour councils to include kibbutzim, mohavim and Arab villages.

The eight subcommittees, each headed by a Central Committee member, will work on problems of labour relations, Histadrut constitution, social and economic problems, the Histadrut's economic enterprises and other issues to be discussed at the convention.

Steps taken to improve prison conditions

Interior Ministry spokesman announced yesterday. It was also decided to improve the lot of prisoners by raising the money allowance they are allowed to receive from their families from the present IL70 a month to IL100. The ministry will also look into the possibility of raising the salaries of inmates employed while they are in prison.

Israel Bond leaders pledge to raise more than ever

The Israel Bond leadership conference ended last night with a unanimous pledge by the 100 delegates, in response to appeals by Prime Minister Menachem Begin and Finance Minister Simcha Ehrlich, to raise more money next year than ever before. Last year, the Bond Organization raised \$311.4m. in cash, bringing the total amount in Bonds sold since 1961 to over \$8,900m.

Summing up results of the three-day conference, Sam Rothberg, general chairman, urged the participants to accept responsibility for achieving the maximum expression of American Jewry's moral, material and political commitment to Israel through Bonds. Pointing to the \$5.3b. worth of goods Israel ex-

ports annually, Rothberg said: "We had a share in making this happen and it is this which gives us the right to share with people of Israel the celebration of three decades of Jewish independence."

The closing session of the conference was a dinner at an Air Force base addressed by the Commander of the Air Force, Aluf Binyamin Pelled. Yesterday morning the Bond leaders were flown to Ophira (Sharn e-Sheikh), to inspect development projects in the area and visited the navy base there. Chief of Staff Mordechai Gur met the delegates at the air base on their return north and briefed them on the military situation.

Jerusalem youths quieten the music for Cyrus Vance

By JUDY SEGEL
Jerusalem Post Reporter

Some Jerusalem teenagers turned down the volume of their stereo speakers yesterday in consideration of their neighbours, who were welcoming a very important guest — U.S. Secretary of State Cyrus Vance. The Foreign Ministry had asked the municipality to quieten the sounds of music and voices emanating from the city's Youth Capital — operating in Sacher Park next door to the ministry — so as not to disturb talks between Vance and Foreign Minister Moshe Dayan.

Dorit Raz, chairman of the Jerusalem Youth Council, and her deputy, Raesam Abu-Samra of East Jerusalem, acquiesced, but wanted to bring a personal message to the secretary of state. Explaining that the annual Youth Capital is run and enjoyed by Jewish and Arab youngsters, the two wrote that "We are sure that the joyous music and voices that reach your ears are an expression of the friendship that has been achieved among Jewish and Arab youth in Jerusalem. We hope that these sounds will symbolize the hope for achieving peace in our region."

Arriving at the ministry in time to deliver the letter personally, Dorit and Raesam were not allowed to see Vance personally because of "Israel protocol." But the teenagers asked Vance's aides to pass on the message that they hoped statecraft would cooperate in the same friendly spirit as de Jerusalem youth.

About 200,000 people have visited the Youth Capital since it opened less than a week ago.



Esther Bliton, the winner of the beauty contest held last night at Jerusalem's Youth Capital. Bliton, age 17, is a student at Even Haezer High School. Esther's favourite actress is Raquel Welch. (Sham)

On Friday, 17-year-old Dorit Teddy symbolically replaced Mayor Teddy Kollek for a day, to be assisted by 16-year-old Raesam and the other members of the youth council.

New body to coordinate retirement programmes

Jerusalem Post Reporter

TEL AVIV. — A half-million retired persons will be living in Israel by 1982, Rami Roter, director of the National Insurance Institute, told the Histadrut trades union department here yesterday.

The department devoted part of its weekly meeting to a discussion on how to prepare workers for retirement.

Roter outlined plans to establish a retirement authority, which would be a government-operated agency to develop new programmes for the aged. The authority would include representatives of labour, management and government agencies. It would not provide services to pensioners but would coordinate the work of those agencies which do provide the services.

A representative of the clerical workers union said members about to retire are given written and oral advice on how to deal with the economic, psychological, social and legal problems of retirement. They are also told how to use spare time after retirement and of opportunities for part-time post-retirement employment in an experimental programme. The effectiveness of the experiment is yet to be determined.

Meal allowance raised

Jerusalem Post Reporter
TEL AVIV. — The Histadrut Trades Union Department yesterday approved larger meal reimbursements for Histadrut workers eating out while on official business. They will now receive IL2 for breakfast, IL5 for lunch and IL4 for supper. The total, now IL11, was raised from IL4 in keeping with the new index of restaurant and cafe prices published in June. The new rates, effective as of August 1, will apply not only to Histadrut workers but to all workers in public service.

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Roman Polansky enters a Santa Monica court on Monday.

(AP Radiophoto)

U.S. court orders study of Polansky's sexual tastes

SANTA MONICA, California (Reuters). — The fate of Roman Polansky, one of the most celebrated of post-war European movie directors, was yesterday passed to two psychiatrists who will try to determine if he is a "mentally disordered sex offender."

The two experts were appointed by a court on Monday after Polansky pleaded guilty to unlawful sexual intercourse with a 13-year-old girl. A letter from the girl's family read to a Superior Court judge on Monday expressed concern that the girl might be permanently and mentally harmed if she were forced to testify against Polansky. The judge agreed to drop the more serious charges against the director and let him plead guilty to unlawful intercourse. The letter also said the girl's family did not wish to see Polansky in prison.

The Polish-born film director, who is a French citizen, faces the possibility of up to 50 years' jail or deportation.

The five charges the judge agreed

to drop were: rape by the use of a drug, supplying drugs to a minor, a lewd and lascivious act with a child under 14, perversion, and sodomy. Some of the charges carried a maximum life sentence.

"The plea of guilty by the defendant is contrition sufficient for my clients," said the lawyer for the girl's family.

Polansky, 43, whose pregnant wife Sharon Tate was murdered by the hippie Manson family eight years ago, yesterday was accused of taking the unnamed girl to actor Jack Nicholson's home on March 10 and raping her after a photo session. Nicholson was away at the time.

The two psychiatrists appointed by the court are to study Polansky's sexual tendencies under the judge's instructions and report back to the court on September 19.

Even if the psychiatrists express reservations about Polansky, he will be allowed to produce expert witnesses of his own in court to testify that the incident with the girl was a one-time offence, not likely to be repeated.

Tass warns of arms race escalation

MOSCOW (UPI). — The Soviet press yesterday said U.S. President Jimmy Carter's signing of a bill financing the building of neutron atomic warheads proved his administration intends to start "a new wasteful and extremely dangerous round of the nuclear arms race."

Veteran Tass news agency commentator Yuri Kornilov, sharpening the Soviet denunciation of American plans to develop the neutron bomb, said, "The present master of the White House was known to use widely in the course of the election campaign calls for curbing the arms race and strengthening détente."

"But hardly had the election battles died away when the U.S. military budget began to soar and the Pentagon began intensively manufacturing new types and kinds of mass destruction weapons."

"The sanctioning by J. Carter of the manufacture of a neutron bomb, warheads does not tally in any way with Washington's public statements for peace, disarmament and virtual liquidation of the nuclear weapon," Kornilov said.

Marcos renounces claim to Malaysian state

KUALA LUMPUR (UPI). — President Ferdinand Marcos of the Philippines flew to Sabah yesterday for a goodwill visit after announcing his government was withdrawing its territorial claim to the Malaysian state.

Marcos cleared the way for the visit by announcing in Kuala Lumpur his government's withdrawal of its 15-year-old claim to Sabah, a territory which lies just a few kilometers from the southernmost tip of the Philippines.

His announcement removed a thorn in Philippine-Malaysian relations and was a gesture intended to strengthen the regional partnership in the Association of Southeast Asian Nations (ASEAN) in which both countries are members along with Indonesia, Singapore and Thailand.

While in Kuala Lumpur for ASEAN summit talks, Marcos, Malaysian Prime Minister Datuk Hussein Onn and Indonesian President Suharto agreed to tighten up their common border against piracy, smuggling and traffic.

Ethiopia: Full-scale war with Somalia is underway

ADDIS ABABA. — The collapse of an Afro-Arab peace initiative has set the stage for a full-scale confrontation between Ethiopia and Somalia, diplomatic sources said yesterday.

Somalia walked out of an emergency meeting of the Organization of African Unity (OAU) in Gabon on Monday, saying it would not attend the conference "to answer false accusations from Ethiopia."

Diplomatic sources said the Somali boycott signalled the collapse of the OAU attempt to mediate and paved the way for an escalated conflict on the Horn of Africa.

Ethiopia at the same time declared that a "full scale war is (already) going on between revolutionary Ethiopia and Somalia."

The Addis Ababa Government said it would severely punish what it called the Somali aggressors.

In Nairobi, the Ethiopian Ambassador to Kenya, Mengiste Desta, accused "wealthy Arab states" and "imperialist powers" — referring to the U.S. and Britain — of supporting the Somalia-backed war in the Ogaden.

He claimed that promised Anglo-American arms shipments, limited by London and Washington to "defensive" weapons, would help Somali forces in northeast Africa convert the strategic Red Sea oil route into a "great Arab lake."

He cited successive agreements in the last two years among Egypt, Somalia, Sudan and Syria and mentioned Saudi Arabian support for the Mogadishu Government as pointing

to a plan for "exclusive control of the strategic areas of the Horn of Africa and the Red Sea."

In more than two months of fighting, guerrillas of the Western Somali Liberation Front claimed they captured some 90 per cent of Ethiopia's Ogaden Desert region — an area comprising one-third of Ethiopia's land area.

In sporadic communications on the fighting, Addis Ababa admitted the Somalis — which it claimed were regular troops and not guerrillas — were in "temporary" control of parts of the region.

Ethiopian Government troops, suffering heavy losses, have been forced back to three main redoubts in the Ogaden — the towns of Dire Dawa, Harar and Jijiga, but have begun to regroup along this new east-west axis. Thousands of regular troops and people's militia were pouring into the region to strengthen the government's last line of defence, sources said.

With Soviet diplomatic backing and the influx of new Soviet weapons, the Ethiopians were still weapons to launch some type of counter attack shortly against the Somalis, these sources said.

The official Ethiopian radio, reported its troops had repulsed an attack on Saturday on Jijiga.

The radio broadcast, claiming 30 to 40 "Somali regular soldiers" were slain, also reported Ethiopian forces had driven off attackers from the nearby village of Gureum.

Several Somali regular soldiers were said to have been killed, but this

radio did not say how many or when the attack was launched.

There has been no independent confirmation of these latest reports. Western correspondents are barred from leaving the capitals of Muslim Somalia and Christian Ethiopia to report from the area of the fighting.

Meanwhile, Ethiopia yesterday denied an American newspaper report that the Soviet Union was urgently pressing Somalia for an immediate cease-fire in the Ogaden.

In a statement issued by the Ethiopian Embassy in Bonn, a foreign ministry spokesman described the report, which appeared in "The Washington Post," as "totally unfounded."

"Washington Post" correspondent David Ottanay in Mogadishu, said the Soviet Union hoped the cease-fire would prevent the left-wing government in Addis Ababa from being overthrown or collapsing.

In Baghdad yesterday the Eritrean Liberation Front (ELF), which is fighting to secede from Ethiopia, appealed to Arab and "friendly" governments to extend food assistance to the Eritrean people to save it from starvation at the hands of the Ethiopian authorities, the Iraqi news agency reported.

The agency quoted the appeal, which was also sent to humanitarian organizations throughout the world, as saying: "The majority of the Eritrean people is facing death by hunger, one of the savage methods practised against the Eritrean revolution by Ethiopian occupation authorities." (AP, UPI, Reuters)

U.S. House asked to probe Soviet 'death ray' weapon

WASHINGTON (UPI). — Representative Jack Kemp (Republican) has asked the House of Representatives Armed Services Committee to hold hearings on the reported Soviet development of a "death ray" to destroy U.S. missile warheads, an aide said on Monday.

Alleged Soviet progress in the very advanced technology of charged particles, which could be beamed from earth to space or vice versa at the speed of light, caused a major controversy in the defence and intelligence communities earlier this year that eventually got up to President Jimmy Carter.

"Aviation Week and Space Technology," which broke the story, said in a detailed article last May that the Soviet Union had leapfrogged a generation of advanced scientific technology to achieve an experimental beam weapon which, when perfected, could neutralize

America's entire ballistic missile force if it were ever launched in an all-out war.

The Defence Department, which has been asked to have tried to suppress the "Aviation Week" story on grounds of national security, said that "based on all information now available to the U.S. intelligence community," experts did not believe the Soviets had got that far.

Carter finally stepped in and said: "We have no evidence... that the Soviets have achieved any major breakthrough in the kind of weapon described."

"Aviation Week" retorted in an editorial titled "Dig Deeper, Jimmy," that Soviet scientific knowledge had been declassified before the surprise launching of their first Sputnik spacecraft and urged the president to go beyond the briefings he had on the subject from the National Security Council.

Nagasaki victim vows to continue battle against nuclear arms

TOKYO (UPI). — An atomic bomb cripple speaking from a wheelchair called for a worldwide ban on nuclear weapons yesterday at Nagasaki's annual memorial ceremony for victims of the World War II atomic bombing 32 years ago.

"Poverty, discrimination and after effects of the atomic bombing have marked the last 32 years for atomic bomb victims," said Miss Chieko Watanabe, 48, whose back was broken in the explosion.

"I will continue my campaign for a total ban on nuclear weapons as long as I live," she said.

An estimated 18,000 persons attended annual memorial rites for victims of the World War II atomic bomb in Nagasaki, about 950 kilometres southwest of Tokyo.

Among them was UN General Assembly President H. Shirley Amerasinghe, the highest ranked foreigner ever to be an official guest in the annual ceremony.

Watanabe said she was a 16-year-old electric appliance factory worker when the bomb was dropped on Nagasaki, three days after the first one exploded over Hiroshima.

At exactly 11:02 a.m., the moment the bomb was dropped 32 years ago, participants in the Nagasaki ceremonies offered a one-minute silent prayer.

A survey by Japanese police shortly after the war ended put the number of deaths from the Nagasaki bomb at 39,000. But Nagasaki police in 1953 upgraded the casualty figure to 73,880 lives.

ASEAN out to allay Soviet doubts

KUALA LUMPUR, Malaysia (AP). — The Organization of South-East Asian Nations will try to convince the Soviet Union that it is not a military bloc but rather aimed at regional socio-economic cooperation, Malaysian Prime Minister Hussein said on Monday.

He was speaking at a press conference winding up five days of summit talks among the leaders of Indonesia, Thailand, Singapore, the Philippines, Malaysia, Japan, Australia and New Zealand.

Hussein was asked to comment on the boycott of the ASEAN summit's opening session on Thursday by the Soviet and Vietnamese ambassadors here.

The two nations, which have mis-

tives did not go because they do not recognize ASEAN and have no relations with it.

The two, together with Laos, have accused ASEAN of being an American-backed military bloc. They have also opposed the plan by the ASEAN member countries — Thailand, the Philippines, Indonesia, Singapore and Malaysia — to secure a Southeast Asian zone of peace, freedom and neutrality.

The Malaysian foreign minister said that Soviet opposition to the neutral zone was understandable because the Soviets wanted to push their own project for the region — the Asian Collective Security Pact — which the Soviets have been urging ASEAN and other Asian nations to accept for the past few years.

Unrest continues in S. African black townships

JOHANNESBURG (UPI). — Large bands of school children roamed Johannesburg townships yesterday throwing stones and damaging two government vehicles, police said.

Major Gen. David Kriel, in charge of riot control, reported school attendance in the West Rand, which includes the huge Soweto black township, was "very bad" with only 15 to 20 per cent of pupils in classes.

Kriel said 183 youths, who were arrested on Monday at Evaton, near Vereeniging, 80 km. south of Johannesburg, were released yesterday.

The arrests followed the burning of a post office van and the wounding of three men by students who threw stones at the hitherto peaceful black township.

In Soweto, the black newspaper "The World" on Monday urged its more than 150,000 readers to throw their weight behind Soweto's self-appointed leadership committee and demanded "let the people speak."

5,000 flee spa as eruptions rock Japanese volcano

TOKYO (UPI). — Three more eruptions rocked Mt. Usu yesterday, forcing evacuation of 5,000 residents at a nearby hot-spring spa.

The meteorological agency reported the eruptions, the 9th, 10th and 11th, took place at an interval of about two hours yesterday morning, spewing volcanic ash and rocks over the spa on Lake Toya at the foot of Mt. Usu.

Reports from Lake Toya said the village which attracts a large number of summer visitors from throughout the country had turned into a "ghost town" as all residents left to temporary shelters.



Egyptian President Anwar Sadat on Sunday addressing troops on the border with Libya. War Minister Mohammed Abdul-Ghaffar Gamasy is seen at left. (UPI telephoto)

Egypt-Libya conflict may flare again soon

Gaddafi's position strengthened

By DON SCHANCHE
Washington Post News Service
CAIRO. — President Anwar Sadat's fresh verbal attack against Libya's Muammar Gaddafi, whom he accused of recruiting Cuban and European mercenaries to support "a new

"take care" of Gaddafi, whose pro-Soviet stance, erratic behaviour, support of terrorists and rejection of "moderate" Arab peace efforts has made him a thorn in the side of Egypt and most other Arab governments.

Some observers interpreted Sadat's latest tirade against Gaddafi as an internal propaganda move designed to prepare both the armed forces and the Egyptian people for another round, probably involving military action, in the long-running campaign to unseat the Libyan leader.

One suggested motive for Egypt's massive punitive raids against Libya last month was that Sadat hoped it would touch off a revolt within the Libyan army, which in turn would throw Gaddafi out. The fighting had just the opposite effect, however, in the view of most Western observers here, strengthening rather than weakening Gaddafi's hold on the Libyan people and armed forces.

It was therefore considered unlikely that Sadat's threat of "five-fold" retaliation was more than hyperbole, since the Egyptian leader is understood to recognize that the massive air strikes, armoured clashes and commando raids of July left his opponent politically stronger than ever.

It was considered more likely that if Egypt strikes again this action would be a pinpoint raid designed to locate his elusive Libyan colonel, who is known to shift his base of operations frequently in order to foil assassination attempts.

An Entebbe-type commando raid designed specially to get Gaddafi is considered one possibility. Another could be an Egyptian-backed attempt at a coup d'état in Tripoli, backed up by diversionary skirmishes on the Egyptian-Libyan border that would draw defence forces away from the Libyan capital.

Military observers conceded that either course would be a gamble, however. Gaddafi has foiled previous coup attempts, and his personal movements are so unpredictable and fluid that if he feared a commando raid, he could shift his government as far west as the Algerian border to escape it.

"The big problem is that if you want to knock a bird off his perch, first you've got to find the bird," said one observer, "and Egypt hasn't had much luck in the past in bird-dogging Colonel Gaddafi."

"I have reports on the presence in Libya of Cuban and European mercenaries, but I say (to Gaddafi) beware," Sadat told his soldiers. "The lesson we gave to Gaddafi last month would be repeated five-fold."

While observers were skeptical of the suggestion that Cubans and Europeans have, in the words of the Cairo press, "flooded" to Libya since Gaddafi's recruitment campaign, the presence of a small number of Cubans in Libya has been suspected for almost a year.

But the fact that Sadat chose to couple his threat of "five-fold" retaliation against Libya with the alleged presence of Cubans and mercenaries was taken, by some observers in Cairo as an ominous hint that the issue could be used as a pretext for renewed Egyptian military action designed to topple Gaddafi from power.

Sadat has often warned that he will

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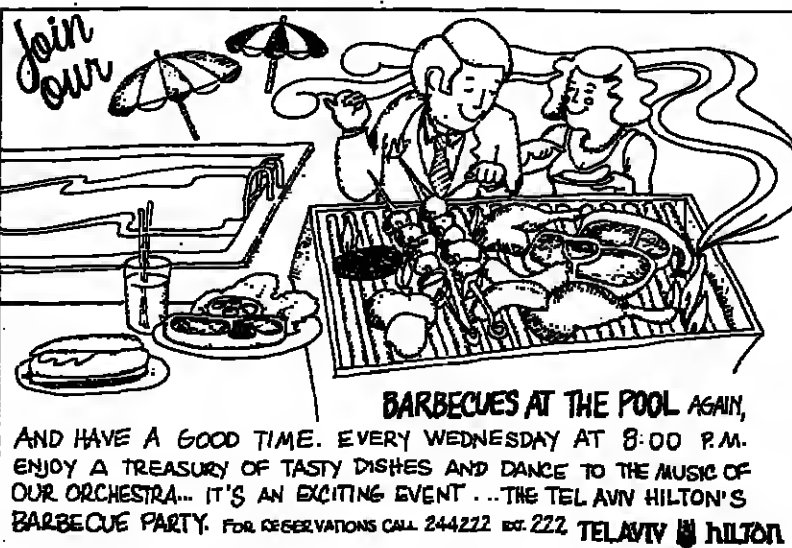
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Mexicans stream to U.S. border to beat amnesty

NEW YORK (AP). — Between 200,000 and 250,000 destitute Mexican migrants are waiting near the U.S. border for a chance to slip into this country before Congress acts on an amnesty plan for illegal aliens, "The New York Times" said on Monday.

Each night at least 3,500 of the migrants attempt to elude border patrols and enter the U.S., with about 1,000 being caught and returned to Mexico, the newspaper reported.

In the Mexican border-town of Tijuana, migrants are reportedly paying professional smugglers \$250 (U.S. \$500) each to guide them past border patrols and take them to Los Angeles, home of a large Mexican community.

In addition, for an extra \$300 to

\$400 the smugglers offer phony backdated documents, including rent receipts, utility bills, work permits and social-security cards. The smugglers promise that the documents will insure that the migrants qualify under President Carter's amnesty proposal, the paper said.

A border patrol agent, Robert McCord, was quoted by the newspaper as saying that most of the migrants are living in sleazy hotels, garages and dirt-floor hovels, or camping along roads.

"It's a surging mass of humanity and with the limited manpower and facilities we now have, tens of thousands are bound to get past us," McCord said. "We are simply being overwhelmed."

12 years, 100 lashes for rape in Abu Dhabi

ABU DHABI (Reuters). — A religious court here has jailed a 22-year-old Lebanese for 12 years for raping two foreign women, both married, and ordered him to receive a public flogging of 100 lashes.

The public whipping was the first such penalty to be imposed in the United Arab Emirates since civil courts were changed into religious courts earlier this year to enforce Islamic law.

The man, Hassan Abdul Majeed Saad, is expected to be whipped in a public square here after next Friday's noon prayers.

Saad was arrested last June attempting to break into a villa in Abu Dhabi. He was wearing only bathing trunks at the time. He was also accused of attempting to rape 18 other women.

Justice officials declined to identify or give the nationality of the two rape victims.

The Israel Police



requests the aid of the public in its efforts to identify the body of a man who was taken out of the sea at the Hilton Beach, Tel Aviv, on July 9, 1977. He was taken to the Ichilov Hospital where he died on July 16, 1977.

Description: Age 24-30, height 174 cm., medium build, face long, complexion clear, hair dark brown, forehead broad, eyes blue, lips thick, Ashkenazi appearance, has a beard.

Anyone who thinks he may be able to help in the identification of the body is asked to apply to the Tel Aviv Forensic Institute, Abu-Kabir Junction, or to any police station.

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THE FIFTH PAGE

ALL IN THE FAMILY / Eleanor Harris

Parents can teach reading — but the child must be ready

IN THE 1940s the prevalent thinking among the majority of educators and psychologists ran something like this:

- A given level of physical and emotional maturation is a prerequisite for instruction in reading. (Although the average is given as age six, some children — usually boys — do not achieve this level until age seven.)

- Reading is a highly complex process and, therefore, the teaching of reading is best left to the professionals.

- Formal instruction before the child is ready may actually be harmful in that it will adversely affect his desire to learn.

In the 1970s the theories run something like this:

- Pre-school age reading is not only possible; it may even be desirable.
- Parents are perfectly capable of teaching their children to read.
- The child who knows how to read when he starts first grade enjoys an advantage over his classmates, and maintains this learning advantage through grade four (this is the last grade for which I have any statistics).

Contradictory? Only at first glance. Each of the above statements is true — for certain children or certain situations.

For example: average children (we exclude the very superior and the slow learners) can begin learning to read as early as four-and-a-half or as late as eight. Obviously there will be exceptional children who are ready to begin reading much earlier.

Can parents teach children to read? Why not? I know of several four-year-olds who were taught to read by first-graders playing "teacher." On the other hand, where a child has difficulties learning to read, all the skills of a highly trained reading specialist may be insufficient to bring him up to the level of his classmates.

Formal instruction in anything before a child is ready is pointless. It is not only frustrating; it may create dislike or rejection. A three-and-a-half-year-old who likes paper and

pencil activities can be taught to write his name by any parent willing to invest the time and the patience. So what? This same skill can be taught in a fraction of the time at age five.

The last statement, which maintains that the child who knows how to read before formal learning begins has an advantage over his classmates, is true. But does he enjoy this advantage because he knows how to read, or did he learn to read because he was brighter than his classmates? This bright child will always enjoy an advantage in any given classroom — whether he knows how to read before beginning first grade or not.

I did not agree with the research of the 40s and 50s which said it was undesirable to teach children (or even to allow them to learn) to read before first grade. And I do not agree with those who insist that all children should be taught to read as soon as possible. But I have no quarrel with the research findings. I do have a deep-seated quarrel with those who choose to interpret these findings to support a personal point of view. Having espoused an opinion, they then proceed to treat it as though it were messianic revelation.

Currently it is fashionable to promote pre-school reading activities, and some "experts" do this so militantly and so articulately that it is difficult for parents to resist. The implication is clear: if you do not teach your child to read, you, and you alone, will be responsible for your child's failure to "realize his full potential."

Parents today are well aware that the quality of the child's pre-school experiences is an important determinant in the acquisition of school skills. (Reading, of course, is the single most important school skill, and the pre-school games and activities are designed to build the concepts which must precede actual reading.) But the line between providing the pre-school experiences that will prepare the youngster for school, and actually teaching skills is a fuzzy one at best. Neither is there a clear-cut developmental line



Virtually any child can learn to read before school age, but developing a love for books depends on environment and temperament. (Shalom Bar-Tel)

that tells you when a child is "ready."

A parent may have no intention of teaching reading, but he does want to give his child the best possible start for school. So — faced with lots of educational toys and the exhortations of those who claim that geniuses are made, not born, the tendency is to teach too much, too soon. (I can quote no statistical studies on this, but it is my distinct impression that in any given population the geniuses are outnumbered by people with behaviour problems.) The real danger, as I see it, is not that we miss the opportunity to achieve superiority — but that we end up with frustrated parents and resistant children.

In a group I led last year, the questions most often asked by the mothers of pre-school children concerned "getting the child ready" for school. These mothers spoke very knowledgeably about building vocabulary and acquiring quantitative and spatial concepts. They had invested a lot of money in educational toys and were prepared to spend a lot of time as well in teaching their children to use them. But their questions and comments indicated a great deal of frustration about the "teaching playtime."

"My child has no interest in puzzles," "My child doesn't want to do anything but grab the cards out of my hands," "How can I increase his attention span?" "My child will go to first grade in September, but when I want to teach him the alphabet, he scribbles all over the page."

Three things were apparent from these questions and comments: 1) The mothers were frustrated by the children's rejection; 2) They had no experience in judging whether or not the child was capable of some of the tasks they presented; and, 3) They were anxious and tense mainly because they had stopped thinking of these activities as playing and were thinking of them as teaching.

I have no objection to parents teaching reading, or anything else. But they should do it only if they are prepared to respect a few of the basic tenets of primary education:

- 1.) Be sure that your child is ready to perform the task. If, when playing with pencil or crayon, you ask the child to reproduce a line or a circle, and he continues merrily on his way right off the edge of the paper, cease and desist. If you offer puzzles and he would rather throw the pieces around than experiment with them, then put the puzzles away for a few weeks. Do not persist in activities that are beyond his skill, or in which he has no interest.

- 2.) Let him do many "easy" (for him) tasks, and give him many opportunities to repeat. You'll find that his capacity for repeating something he does well (and being praised for this) is endless. Praise every bit of progress, and ignore the failures.

- 3.) Keep your "cool" and your objectivity. Don't be disappointed if your child does not learn a given skill at the first presentation. A teacher is prepared to present the same bit of information in different ways because she knows that not all the children (or even most of them) will learn it the first time around. The younger the child, the more time required; but if he senses disappointment or anxiety on your part, he will refuse to participate in this activity.

Sometimes, no matter how well-intentioned, parents just can't play teacher. (School teacher, that is — because every parent is the most important all-purpose teacher the child will ever have.) They have neither the patience, the energy, nor the nervous disposition. If this is the case, then don't let any "expert" push you into doing things which you are not comfortable doing. You and your child have the right to decide together what is the best, most comfortable arrangement for you.

Rearing pre-schoolers is a full-time job. If you have only a few spare minutes, then forget about the "teaching" and save them for a smile, a song or a giggle.

The Light that lights the stage

By MARSHA POMERANTZ

Jerusalem Post Reporter

NOW that Jonathan Licht has been making more personal appearances, he "appreciates the freedom of being a writer and letting others take the risk of performing." Writers can sit in the audience on opening night.

If that sounds like the grass always being greener on the other side of the proscenium, it doesn't matter. Licht, 31, is lucky enough to graze in both pastures.

With a background from the U.S. in playwriting and songwriting (lyrics and music), he decided to concentrate on performance in the first stage of his absorption in Israel. He's been in the country for nine or ten months, has read at Jerusalem's Tzavta and is scheduled for another performance on August 15.

At Tzavta he reads selections from Edgar Lee Masters' "Spoon River Anthology," from Arthur Miller's "Incident at Vichy" and from Henry Miller's "Tropic of Capricorn." What do they all have in common? "I like them," he says.

After a second beer, Licht relaxes and is less hostile to the interviewer. A friend has invited for his own good. What he likes about the selections, he explains, is their honesty. "They are not fraught with witicism. They are searing — to me, anyway."



Jonathan Licht

During the Tzavta evening he also speaks five of his lyrics as poems. They are incomplete without what he calls their "marriage" to the music, but apparently effective on their own.

What is necessary for a successful play performance? "Actualization instead of interpretation," he says. "If a dog comes up on stage and lifts a leg in the middle of 'Much Ado About Nothing' everyone focuses on the dog." Licht wants the audience to focus on him as if he were that dog.

His career in theatre began inadvertently, which is probably the best way. Having studied theatre and English literature in a small Californian college, Licht sought some extra credits to complete a teaching degree. He took a short story he had written to a professor at the University of California at Los Angeles, and was told that if he could make a play out of it, he would get the 10 credits he needed to complete the degree. He did.

Eventually, he finished a Master of Fine Arts degree at UCLA, taught at the Davis branch, and won a fellowship to the prestigious American Conservatory Theatre. For ACT (in San Francisco) he opened the season with two one-act plays: "What do the Jews do on Christmas" and "Planets Apart," which incorporates five of his songs.

Jews on Christmas is about alienation of Jews from the Jewish and Christian communities (in Keokuk, Iowa), of a small boy from his family, of parents from each other — and a young adult from his child self. All these are woven together with the help of a wise, wise, sometimes patronizing, sometimes sentimental, in-tune and tails who hasn't met a Jew "since a fellow named Jonah stopped by a number of years ago."

Perhaps an Israeli audience will have the opportunity to see it work on stage. In San Francisco, at any rate, the plays were a success. "That bothered me," Licht said. "If so many people liked them, I thought maybe I was doing something wrong."

Russian train passengers advised to try walking

By JOHN DORNBURG

Jerusalem Post Correspondent MÜNICH. — "Things are pretty rough; especially for the elderly, invalids and passengers with children. We recommend they walk instead or ride a bicycle." This candid admission and frank advice, which appeared recently in Pravda, the Soviet Communist Party daily, concerns train travel in the USSR.

About a century after imperial Russia made transportation history with construction of what is still the world's longest railway, the Trans-

Siberian, the Soviet Union has begun taking a long, hard look at its rail system. What it has found, to judge from a spate of articles, editorials and complaints in the official media, is not encouraging.

To be sure, there are still trains that evoke all the romanticism of rail travel and elicit blissful sighs from the nostalgic.

There's the velvet-seated, lace-dolled, ornately decorated "Red Arrow" that makes the overnight run between Moscow and Leningrad, the Trans-Siberian itself,

which takes a solid week to cross the country, or its more northerly alternate, the Balka-Armur Line, now under construction and scheduled for completion in the 1980s.

But beyond that, it seems, train travel taxes even the stamina of otherwise hardy and relatively unspoiled Russians.

Describing a 46-hour journey from Khabarovsk, on the Black Sea coast to Moscow, one passenger reported that the train "had neither drinking nor washing water, none of the railroads worked, there was no

current in the electrical outlets, rain leaked in through the air vents and there were no provisions for either meals or snacks."

But at least he had been lucky enough to get a seat.

During the past year or so the Soviet railroads have been computerizing their ticket sales, a boon to customer service, one might have imagined. But alas, as with many other innovations in the USSR, there are problems.

Passengers are told at the ticket offices that all seats have been sold, only to learn later that three cars were completely empty.

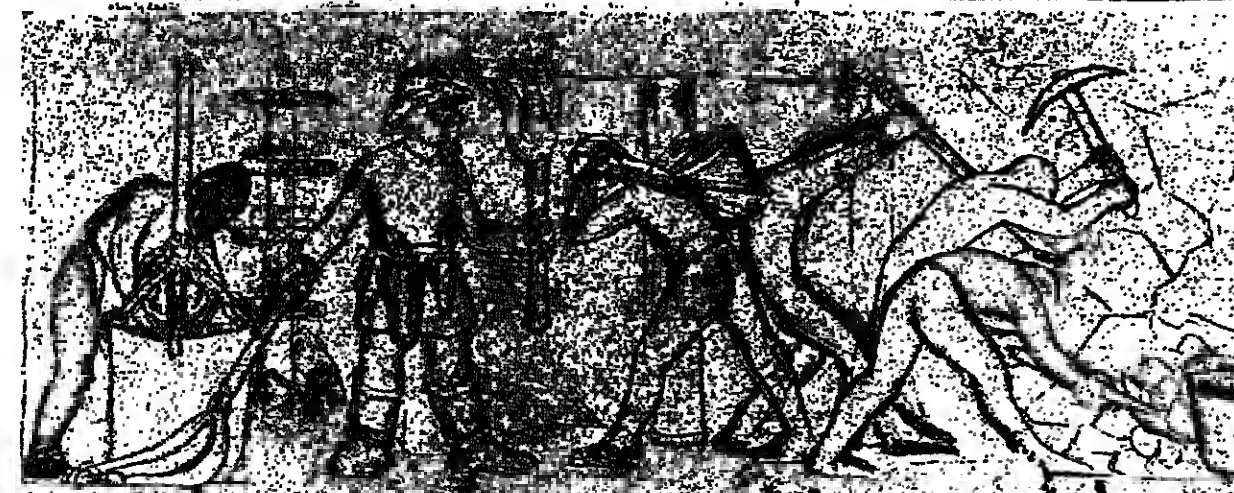
OVER-BOOKING is common, often with twice as many tickets sold as seats available, so that passengers holding what they believe to be valid tickets and confirmed reservations are left standing on the platforms.

Even worse than conditions on trains as such, are those in their dining cars.

A Pravda staffer, who happened to be travelling from Lvov to Leningrad, reported recently that when the train pulled out of the station at 1 p.m. the dining car remained closed for over an hour. And then the only thing it had on the menu was "cold meatballs with cold tea."

"Be thankful for that," he was told. "We're on the return run and provisions are running out."

The dining car, like most of those on Soviet railroads, was 15 years old. Its galley equipment consisted of a coal stove with a refrigerator right next to it.



The current exhibit of the Month at the Israel Museum is this cartoon for a mural at the palace of Cortes, Guernavaca, Mexico, by Diego Rivera.

The chalk drawing is on loan from Mr. Hugo Schwartz of Tel Aviv.

FROM MY JERUSALEM KITCHEN / Sybil Zimmermann

Eggplant helps beat the high price of meat

EGGPLANT or aubergine (bat-silim) are particularly cheap at the moment and with the price of meat soaring higher and higher now is as

good a time as any to dig into this recipe box for a variety of dishes using eggplant and no meat. Here are some main-dish recipes (good with a

salad and hamutzim — pickles, olives, etc.), a side dish and appetizer or salad.

EGGPLANT PARMIGIANA

4 servings

1/2 cup oil
2 minced cloves garlic
1/2 cup chopped onions
2 cups cut-up tomatoes
1/2 t. basil
salt and pepper to taste
1/4 t. onion salt
1/4 t. garlic salt
2 cup flour
2 beaten eggs
1/2 cup milk
1/2 kilo eggplant
1/2 cup grated Parmesan cheese
1/2 cup grated Gouda-Havai, Emek or other yellow cheese
butter or margarine

1. Heat oil in skillet. Sauté garlic and onion about 5 minutes. Add tomatoes, basil, salt and pepper, onion salt, garlic salt. Cover and cook on low heat for 30 minutes.

2. Four flour into a bowl. Add eggs and milk and blend into smooth batter. Peel then slice eggplant into 1/2 inch (1 1/4 centimeter) thick slices. Dip eggplant slices in batter and fry in oil in a skillet until slices are brown. Drain on paper towels.

3. Grease a casserole. Arrange in layers: eggplant, sauce, grated cheeses, inserting small pieces of butter or margarine along the way. Top with some of the grated cheeses. Bake in 350°F (180°C) oven for 30 minutes.

EGGPLANT BAKE

4 servings

1 small eggplants
1 medium chopped green pepper
2 chopped medium tomatoes
2 small chopped onions
2 minced cloves garlic
1 t. oregano
1 t. salt
1 t. basil
1 t. red wine
1/2 cup water
1/2 cup tomato puree
1/4 t. sugar
6 slices Gouda-Havai or other yellow cheese, cut up
Parmesan cheese
1 t. cut-up olives
oil

1. Cut off ends of eggplant, cut in half lengthwise (unpeeled) and place

in saucepan with small amount water. Cook 25 minutes.

2. Meanwhile heat a small amount of oil in a skillet then sauté green pepper, tomatoes, onions and garlic for about 10 minutes. Add oregano, basil, salt, red wine, tomato paste, water and sugar. Continue cooking until vegetables are soft.

3. Drain eggplants and let cool a few minutes. Scoop out centres, cut up and add to the tomato sauce. Place eggplant shells in a greased baking dish, spoon in a tablespoon or so of the cut-up cheese, pour over the sauce, add the rest of the cut-up cheese. Sprinkle with Parmesan cheese then cut-up olives. Bake in 350°F (180°C) oven for 30 minutes.

BROILED EGGPLANT

4 servings

1/2 kilo eggplant
1 cup oil
3 T. lemon juice
1 T. grated onion
1 clove minced garlic
1 t. salt
1/2 t. oregano
1/2 t. basil
1/2 t. pepper

1. Cut eggplant into 1/2 inch slices. Combine oil, lemon juice, onion, garlic, salt, oregano, basil and pepper in a glass dish.

2. Add eggplant to the sauce and let marinate half an hour. Transfer to a broiler pan, brush with the marinade and broil 5 minutes. Turn and broil 5 minutes more.

3. Place hard-boiled eggs, leban, lemon juice, garlic, and salt in a blender. Scoop out flesh of eggplant and add to blender. Puree. Pour into a dish and decorate with paprika.

BRIDGE / George E. Leviner

The bombardment of Moshe

IT WAS a pleasant bridge game at the Club Mediterranee at Achziv. The deal was quite ordinary — or so it seemed. Moshe Zaffie, the Jerusalem sports' captain, sat South; Harry Glass of Zurich was his partner; West was Mrs. Irma Heffner of Paris; and East was Mrs. Tehiya Zaffie never dreaming of what she would do to her husband on today's deal. Let us first look only at the North-South cards:

NORTH
♠ 9 8 7
♥ K Q
♦ A 10 5
♣ 7 4 3

SOUTH (D)
♠ A Q J 5 4
♥ K Q
♦ K 5 3 2
♣ K 6 2

The bidding: SOUTH NORTH
1♣ 1♦
All Pass

It was just ordinary prosaic bidding, and the lead was a prosaic low diamond. As Moshe looked at the dummy he contemplated an easy game. He played a low diamond from the dummy and came a shock as East ruffed. East returned the club Q which was covered by the king and ace. Now the safe and easy contract was doomed. But that was not all. Of course a diamond was ruffed again by East who then won a top club and led a club to West's ten. Again a diamond fell to East who

thus continued trumping away. And here the play of the 15th club insured that West make her spade king as South discarded a diamond, and East used her last trump to ruff yet another diamond. And so the contract of four spades was set five tricks with only 12 high card points in the defenders' hands. Here was the full deal:

NORTH
♠ 9 8 7
♥ K Q
♦ A 10 5
♣ 7 4 3

EAST
♠ 10 6 5 3 2
♥ A 10 9 7 6 5
♦ K 5 3 2
♣ Q J 9 8

SOUTH
♠ A Q J 5 4
♥ K Q
♦ K 5 3 2
♣ K 6 2

So in the pitfalls of distribution the house caved in, and at last appearance Moshe had not recovered from the shocking bombardment.

RECOMMENDED READING
POPULAR BRIDGE MONTHLY, published in England. Sample copies available without charge from 480 Mansfield Road, Sherwood, Nottingham, England. Subscriptions at £7.50 available through ABC Bookstore Ltd., P.O.B. 1263, 71 Allenby Road, Tel Aviv.

BRIDGE CALENDAR

Coming Events

Saturday, August 13, Haifa, Alfred Bard Cup, a national pairs tournament at Beit Hagafen. Two sessions at 9:30 a.m. and 3:00 p.m.

Saturday, August 19, Jerusalem, Hesse Cup, a national pairs tournament at the Diplomat Hotel, two sessions starting at 9:30 a.m.

Sunday, August 20, Jerusalem, Adler Cup, a national tournament for teams of four at the Diplomat Hotel, two sessions beginning at 9:30 a.m.

Results

Haifa Ben Nahum Cup, three rounds, scores in each point: 1. Dr. Markovitz; Prof. Gellie 1116; 2. Gerschman-Glaubach 1101; 3. Margalit-Balala 1047, Mrs. Segal-Mrs. Libster 1030.

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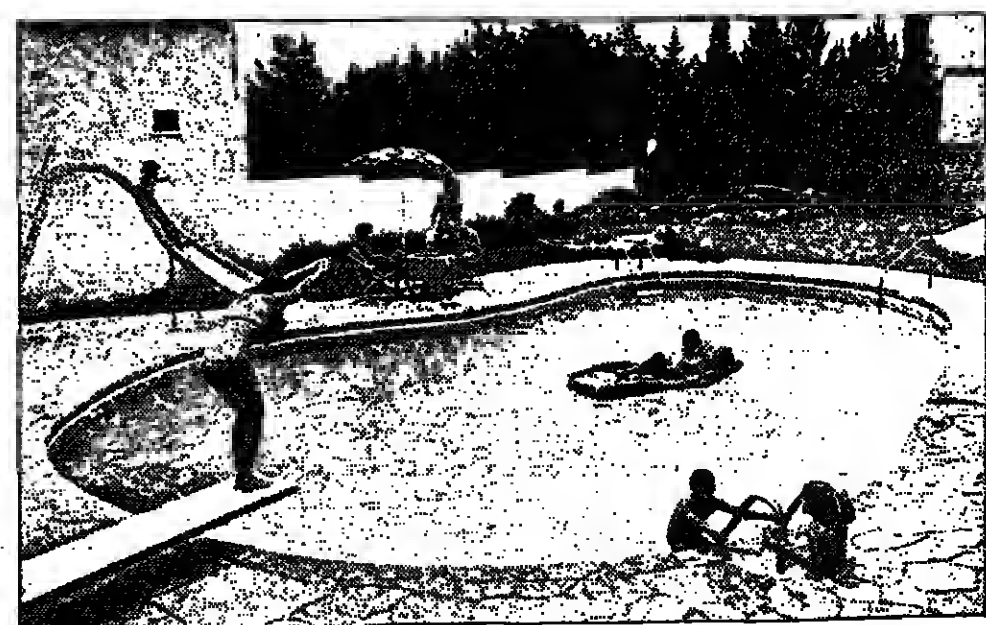
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the 1990s, the number of people in the United States who are 65 years of age or older is projected to increase from 20 million to 30 million, and the number of people 75 years of age or older is projected to increase from 10 million to 15 million (U.S. Census Bureau, 1996).

TEL AVIV STOCKS

Financials sparkle in active trading

TEL AVIV. — The financial sector sparkled yesterday as trading turnover stayed high at IL54m.

Mirahil shares stole the spotlight. The heavier share climbed by almost 11 per cent to Bank Leumi reached the 300 mark on a one point advance. Union Bank options zoomed by 34 to 454. The new Union Bank shares cum options rocketed by 39 to 551. Otzar Hityashuv Leyashdim (r) was 20 ahead at 402.5.

While many observers felt that there was room for profit-taking, the investment public was not in agreement. The mood continues to be euphoric as paper profits pile up. The new issue market continues to add attraction to the market. The latest is Elite's new financing issue which, from all reports, will be very oversubscribed when the subscription lists close today.

Mortgage banks were mixed. However, Shilton (r) was "buyers only" and was fixed at 305. Ampal jumped by 20 to 380. Industrial Development Bank pref. was 20 ahead, in a stellar performance, and closed at 305.

Insurance companies were mixed with price variations tending to remain in a narrow channel.

Israel Cold Storage Ltd. shares were "buyers only" and were upped to 1445.

Israel Electric Corp. added 15 to 680.

Land development and real estate shares put in an uneven performance. Africa Israel Ltd. shares were "buyers only" and were set at 1330.

Property & Building remained unchanged at 350. Mehadran was 12 lower at 838.

Industrial shares were mixed, but the sector did provide more than its due share of heroics. Elgo IL2.5 was nine higher at 599. Argaman pref.

was "buyers only" and set at 482. Levin-Epstein continued its rebound and was "buyers only" and fixed at 235. American-Israeli Paper Mills was five easier at 375.

The American ADR shares climbed on Tuesday on the American Stock Exchange by \$0.375 to keep the relationship in line with the recent new high price of the locally listed shares. American (old) was "buyers only" and priced at 194. The new shares were most active and reached 178 after a half a point rise.

Polygon, apparently on the strength of rumours of an impending new financing issue, spurred to 417.5 for a 20 point gain.

Investment companies were a mixed basket. Elgar reached the 400 mark after a point rise. Amiasar lost 40 to 540. Paz Investment was 25 lower at 578.5. Bank Leumi Investments ended by 11 to 458.

Jordan Exploration continued its recent climb and tacked on a gain of 25 to 2025. Clal Investments, in the wake of its massive block trades earlier in the week and without price change, took off like a rocket and was "buyers only" at 278. Piryon gave up some of its recent strong gains and closed at 448.

The Natad investment dollar eased by two to IL11.57.

Index-linked bonds continued to be mixed but unimpaired.

The General Index of Share Prices rose by 0.70 per cent.

Most Active Issues

Frutarom (n)	178+0.5	IL1,017,300
Bank Leumi	300+1.0	IL614,900
Union Bank	351+1.0	IL5,370,000
Shares traded:		IL54.2m
Natad:		IL57.24g
Offer:		\$488,000
Turnover:		\$241,000

Sole Bond 10% pref.	745	750
Property & Building	550	560
Israel	458	464
Mehadrin	838	850
L.P. Clus	551	561
Next Aviv	439	450
Pri Or Ltd.	790	785
Ramco - 8% pref.	383	385
Ramco	390	345

INDUSTRIAL		
Alliance - B	1345	1385
Elit - 2.5	599	590
Electra - 5	430	415
L.P. Clus	551	561
Alps - C	308.5	308.5
Duke	923	905
Elit, Wire & Cable	251.5	251.5
Teva	850	845
Chem. & Phosphates	328	325
Levin-Epstein	235	235
Moller Textile	340	339.5
Paper Mills	375	380
"Amis" B	340	340
Mechanism 8% pref.	1780	1780
Elit	470	470
Shemen - 8% pref.	401	400
Frutarom	178.5	178.5
Frutarom New	177.5	177.5
Elron IL2	905	905

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Market briefs

By JOSEPH MORGENSTERN
Jerusalem Post Economic Reporter

LOUIS BARNETT, Texas millionaire and majority shareholder of the Jordan Exploration Company, has recently sold some shares. He did this by way of the Arnon Investment Company, which is holding these shares. The sales were carried out to stabilize the market in Jordan shares and not to allow situations where a small demand is sufficient to let the "buyers only" sign flash and the price automatically rise by 5 per cent without any shares changing hands.

"LEUMI INTERNATIONAL INVESTMENT," a daughter company of Bank Leumi, is shortly issuing a \$30m. issue of bonds. The issue is over in that it may be converted to the shares of Bank Leumi. A second issue of some \$10m. bonds will carry a variable rate of interest.

IN THE JANUARY-JUNE 1977 period IL1.525, of securities, including bonds, were sold through the Tel Aviv Stock Exchange. The figure for the whole year 1976 was IL97b., or less than one half.

IN THE WEEK ending August 4, 146 shares advanced, 51 declined and eight remained unchanged.

"ATA" ISRAEL TEXTILE CO. LTD. has just published its financial report for 1976. The company, which is one of the largest integrated textile mills in the country, reported a fall in operating profits from IL2.4m. to IL1.2m. Net after-tax earnings were at IL3.2m. as opposed to IL4.4m. in the previous year. The company's report stated that, in spite of a rise of 40 per cent in sales for the first five months of the current year, no significant improvement in the results is visualized. The consolidated balance sheet increased by 30 per cent to IL174m. The board of directors made no recommendations as to the distribution of a dividend in respect of 1976.

BANK HAPOLIM B.M. announced that it will shortly issue a draft prospectus to the Tel Aviv Stock Exchange for a public share issue estimated at raising some IL300m. It is estimated that the issue will come to the market near the end of this month.

THE ISRAEL DEVELOPMENT AND MORTGAGE BANK LTD., controlled by the Israel Discount Bank, will shortly be coming to the market with a IL4.5m. share issue priced at 280 per cent, IL18m. of 18 per cent convertible debentures and IL3.5m. of convertible debentures are part of the package.

ELITE is coming to the market this week with a new financing issue consisting of IL32m. IL1 ordinary shares, IL12m. 20 per cent convertible notes, and IL18m. convertible options. Elite became a public company in 1973. At that time the company reported earnings of IL9.7m. For the 1976-1977 year the company has reported earnings on the order of IL30.7m. On the basis of the most recent earnings the current share offer is being made at a p/e ratio of 8.2.

IL1b. paid to Arab workers

By AARON SITNER
Jerusalem Post Reporter

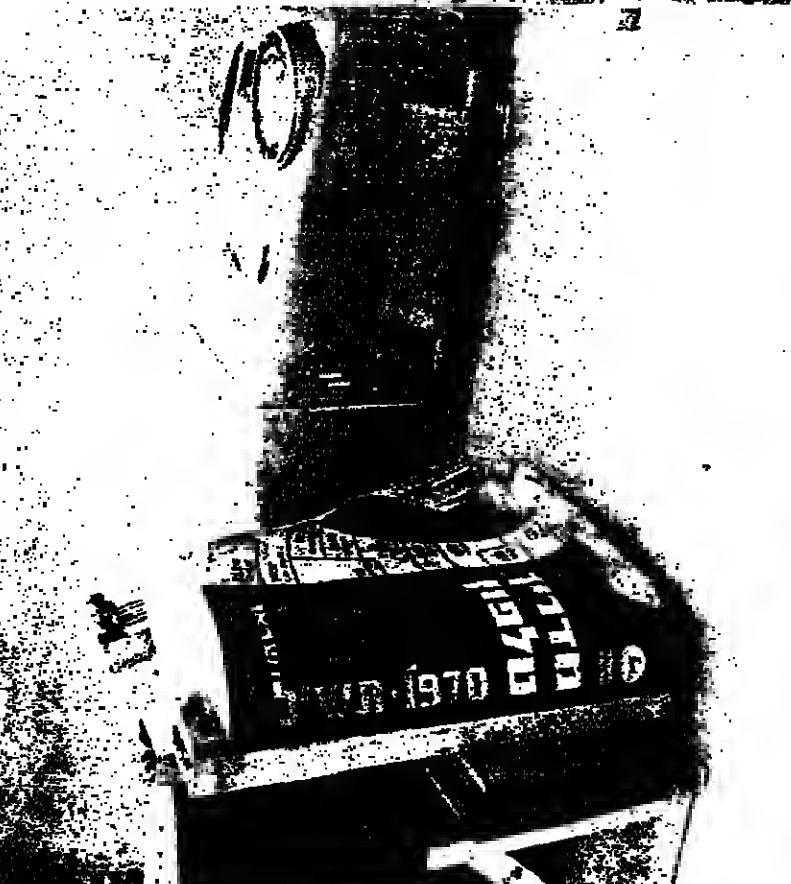
More than IL1b. was paid out last year to Arab workers from the Administered Areas employed in Israel, according to the Labour Ministry's Employment Service.

This amount reflects only the wages and social benefits disbursed through the service's payment units. It does not include the earnings of Arab workers hired "privately," i.e. without recourse to a labour exchange.

Workers from Lebanon earned IL3.7m. between June 1976 and March 1977.

The Jerusalem Labour Council this week played host to union leaders from California, Georgia and New York State. Some of the leaders told council secretary Nissan Harpaz that the Histadrut's record as both employer and labour federation could set an example for other countries to follow.

Another 428 university graduates registered for jobs with the Akadema (Professionals) Employment Service in June, bringing that month's registrations to 2,129 — about 50 more than May.



WRONG NUMBER. — At this photo taken a few days ago clearly shows, the telephone directory at the Shufat (East Jerusalem) post office is somewhat out of date.

Introductory benefits extended for savers

By SELOMO MAOZ
Jerusalem Post Reporter

In view of the success of the new savings schemes several banks have asked the Treasury for permission to grant special benefits after August 14, when they were to expire. Finance Minister Simha Ebrilich has agreed and will permit other banks to extend their introductory benefits if they ask for it.

Ebrilich told the press yesterday that in July the Government sold bonds for IL1.5b. — three times as much as in the same period last year. These bonds were sold as cover for savings schemes to the pension and benevolent funds, and to insurance companies.

In April-June, he said, sales of Government debentures to savings schemes and pension funds amounted to IL3.4b. Also, IL1.4b. were mobilized on the stock exchange in April-June, as compared with IL300m. in the same period last year.

At the same time, Ebrilich confirmed that sales of debentures to the public, as distinct from institutional investors, remained weak, and monthly sales are no more than a few tens of millions.

Ebrilich reiterated his intention to eliminate the subsidy of capital through cheap-interest directed loans to firms which do not produce for export. He said that the Government cannot go on borrowing cheaply and lending cheaply. The plan is gradually to eliminate IL1.5b. of directed credit to industry and agriculture. Industry alone, he said,

holds employers' loan bonds for IL1.5b., after having already got an early redemption on IL400m.

Ebrilich said that the Treasury will redeem these bonds before their due date in amounts of up to 50 per cent of the investment of any industrial enterprise, and if the bonds held by the firm are not enough, firms will also be allowed to cash in defence loan bonds. Since farmers have argued that they do not have sufficient employers' loan bonds to take advantage of this arrangement, Ebrilich said that a way will be found to provide similar financing for agriculture, possibly through the early redemption of defence loan bonds.

The Finance Minister also said that he will ask the Knesset Finance Committee to approve linkage insurance for IL2.8m. intended for the petrochemical industry. It had earlier been reported in the press that Ebrilich was not going to go ahead with this linkage insurance, which had been promised by former Finance Minister Yehoshua Rabinowitz. Ebrilich, however, said that he will honour any obligation undertaken by his predecessor.

Ebrilich added that there had been negotiations with potential foreign investors with regard to their participation in the petrochemical industry, but nothing had so far come of this. The Finance Minister had indeed wanted to cancel the promised linkage insurance, but he said he would do so only with the agreement of the industry.

Artisans want to buy Bank L'Melakha

Jerusalem Post Economic Reporter

Industry Minister Yigal Hurvitz on Monday told a delegation of the Artisans and Small Industries Association that they would be given priority in acquiring the Bank L'Melakha, which the government wants to put up for sale.

Ya'acov Frank, the chairman of the association, asked the Minister not to be hasty in selling the bank and to enable the artisans and small manufacturers, who are its main customers, to purchase it.

Hurvitz told the delegation that the

government intends to sell many government corporations, because it believes that its intervention should be reduced and because it is unable to supervise them efficiently.

Frank also asked the Minister to implement the Artisan's Licensing Law which was approved several months ago by the Knesset but for which no regulations have yet been published. He asked Hurvitz to issue the necessary regulations, to determine the occupations which will be subject to licence, and to convene the Artisans' Council established under this law.

U.S. ban on Atarot will hurt El Al

By MACABEE DEAN
Jerusalem Post Reporter

BEN-GURION AIRPORT. — The American decision not to permit the use of Atarot Airport in Jerusalem for charter flights has hurt El Al, the company's spokesman admitted on Monday.

Some 78 flights between Israel and the U.S. were planned for the winter season starting this November, with a good number of them being flown by El Al planes.

It was pointed out that the alternative was to use Ben-Gurion but it

was already bursting at the seams at the height of the tourist season. Moreover, any package deal which stressed "Jerusalem" as the landing destination would prove more attractive than Ben-Gurion, especially during the Christmas season.

THE SEMI-ANNUAL consolidated balance sheet of the Discount Bank group stood at IL43.5b. on June 30, 1977, an 18.5 per cent increase compared to December 31, 1976, the bank has announced.

Progress being made on Investment Law

By ARYEH GREENFIELD
Special to the Jerusalem Post

Work on the new Investment Encouragement Law is progressing at a fairly rapid pace, according to sources in the Ministry of Industry, Commerce and Tourism.

The completed conceptual draft, now being prepared by a committee of top-level civil servants, is expected by the end of this month, and the legal refinements should not take longer than another 60 days.

Thus it seems likely that the Knesset will be asked to deal with the proposed law immediately after the High Holidays. Passage before the end of the year would then be possible.

A great many details still remain to be worked out, but the general outline of the new law already seems clear. Its major objective will be to replace the present statute — an accumulation of three decades' amendments — with a single, easily understood and easily administered measure.

There will be no substantial change in the overall volume of incentives offered, but their number will be reduced sharply, and the guidelines for their implementation made simpler.

However, under the new law, benefits will be offered only to ventures that serve what is thought to be Israel's most immediate need: greater production. In the past, insurance companies, investment in housing, and so forth enjoyed benefits. All those categories — Approved Investments, Approved Properties and so forth — will not appear in the new law.

Once recognised as an Approved Enterprise, an industrial venture — either a new plant, or the substantial expansion of an existing one — will become eligible for two benefits set by law, and available in the course of building: cash grants and exemption from indirect taxes.

Grants will be payable only in development areas "A" and "B", at 20 and 15 per cent respectively of the fixed investment. The present 5 per cent grant for plants in the Coastal Plain is to be eliminated as unnecessary and irrelevant.

As at present, Approved Enterprises will be exempt from indirect taxes (customs, purchase tax, etc.) on their investment inputs. However, they will be offered the possibility of exchanging that for additional grants — 5 per cent on buildings, 10 per cent on machinery and similar equipment — to save themselves all the documentation and negotiations with tax authorities otherwise required.

An additional benefit may become available at a later stage, when the enterprise already produces and sells at least part of its output abroad. One proposal would exempt income from exports, partially or in their entirety, from income tax. The "export grants" payable to Approved Enterprises since the law was last amended were found to be far too complicated, to the point of being almost unworkable; the new proposals aim at the same objective — additional support for new exporters — but on the basis of much simpler formulae.

(These benefits should not be confused with, nor do they replace what is commonly termed "export incentives" — officially: refunds of indirect taxes — paid almost

automatically to most Israel exporters.)

However, some experts object to this approach on principle. Only two years ago the economic distortion of multiple tax rates was eliminated, with considerable difficulty; the reintroduction of such confusion, even for laudable purposes, may not be the thing to do.

Should that point of view gain general acceptance, it seems likely that some sort of "export grant" will be retained, but in a far simpler form than at present.

On top of that, government sources stress their intention of retaining at least two major investment incentives not specified in either the present law, or in that now being drafted. First of all, infrastructure development — roads, utilities and communications — will continue to be provided in development areas at government expense. Procedures are to be streamlined, many hope that industrial zones will be developed well in advance of the entrepreneurs' appearance on the scene.

Secondly, the practice of extending development loans will continue. One suggestion would provide such credit at a uniform rate — say, 40 per cent of fixed assets — in all parts of the country, and that at a single rate of interest. In the past, both the size of the loan and interest rates varied with the proposed plant's location.

Enactment of all these proposals will provide a simple but highly significant package of investment incentives. In outlying areas, new ventures will be eligible for up to 80 per cent government financing — 30 per cent grant, 40 per cent development loan, 10 per cent grant in lieu of tax exemptions. In Zone "B" (Jerusalem, Beersheba, etc.) the available total will be 65 per cent and in the Coastal Plain 50 per cent. The approach to the problem can yield considerable benefits, if it is coupled with far-reaching simplifications of the related administrative procedures.

That will not be an easy task: land allocations, housing facilities, labour training, telecommunications — each of these vital functions will still require different government departments. As things now stand, the investor in effect has to coordinate them all; improved liaison and the assignment of clear responsibilities, perhaps on a regional basis, would go a long way towards solving that problem.

However, there is no doubt that a new Investment Law can be a step in the right direction, even if it does not answer all the outstanding questions. The clarity with which it will be formulated, and the dispatch with which it is steered through the legislative maze should be viewed as a valid test of the government's determination — and ability — to resume economic growth.

Bumper crop for wine

HAIFA. — The harvesting of wine grapes will start this week in the Zichron Ya'acov vineyards. Another bumper crop, similar to last year's 21,000 tons, and of "excellent quality" is expected, the manager of the Carmel Mirahil winery at Zichron Ya'acov, Amram Surasky, told The Jerusalem Post.

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INVESTMENT AND DEVELOPMENT OF PAZ LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will take place on September 25, 1977 at 10 a.m., at the offices of the Company, 4 Rehov Hagafen, Haifa.

Agenda:

(1) Report of the Directors.
(2) Approval of the Financial Accounts and Report of the Auditors to March 1, 1977.
(3) Approval of Cash Dividend Distribution.
(4) Capitalization of the amount of IL3,779,080 out of the sum standing to the credit of the Capital Reserve, and distribution of such sum among the shareholders as bonus shares at the rate of one bonus share for each five shares held.
(5) Election of Directors.
(6) Appointment of Auditors and fixing of their remuneration.
(7) Miscellaneous.

Holders of Ordinary Shares to Bearer are reminded that they will be entitled to participate and to vote at the above-mentioned General Meeting if they deposit their certificates at the office of the Company at least two days before the day fixed for the Meeting.

S. Bar-Levay Secretary

	Unit Price	Redemption Price
ZAMID	388.88	388.62
GAVISH	326.23	318.27
BDOLACH	419.31	409.14
SHAMIR	102.94	149.36
PIA	137.27	133.91
YAHALOM	149.05	145.42
TOPAZ	154.24	155.18
TARSHISH	146.30	142.77

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Am Motors	5%	Ford	48%	Monasanto	69%	69%
Amer. T & T	68	Gen Dynam	34%	CCR	44%	37
Alt Rich	15%	Gen Foods	29%	Occ Pet	25%	20%
Avo	47%	Gen Motors	60%	Pan Am	5%	5%
Avon	47%	Gen Tel	23%	Phil Pet	31%	31%
Bell How	20%	Gen Tire	28%	Polaroid	28%	31%
Beth St.	22%	Gillette	28%	RCA corp	34%	31%
Boeing	55%	Gen West	23%	Israel Dutch	30%	57%
Bristle My	18%	Gulf Oil	28%	Sears Roe	30%	57%
Burroughs	69%	Gulf Oil	28%	Singer	24%	22%
CBS Inc	58%	IBM	26%	Sony	8%	8%
Celanese	46%	Int Paper	24%	Sperry Rand	34%	37
Chase Man	31%	Int. T & T	24%	Teledyne	72%	72%
Chrysler	18%	John John	60%	Texasco	28%	28%
Coca Cola	28%	LTV	7%	Texas Ins	85%	90%
Coca Cola	22%	Litton	14%	TWA	9%	9%
Crown Zell	84%	Lockheed	7%	Twent Cent	26	28
Curtis Wri	17%	Mary	25%	U.S. Steel	34%	34%
Dow Chem	51%	McDon Doug	24%	West Union	19%	19
Dupont	117	Merr Lynch	12%	Woolworth	21%	23%
East KDK	87%	Minu MM	48%	Xerox	81%	48%
Exxon	51			Zenith	21%	21%

Provided through the courtesy of the Foreign Securities Department of Bank Hapolim B.M. Tel Aviv, Tel. 251420.

Stock rally falters

NEW YORK (AP). — The stock market made a gesture at a rally yesterday, but then faltered again amid continuing concern over rising interest rates. Trading was moderate.

Analysts said the depressed prices of many big-name stocks attracted some cautious buying interest early in the session.

FOREIGN CURRENCY	
Official Exchange Rates	
U.S.	9.8551
Sterling	17.2485
DM	4.2973
French Fr.	2.0206
Dutch Fl.	4.0448
Swiss Fr.	4.0971
Austrian S.	6.0157
Canadian \$	9.1940
Australian \$	10.9198
Rand	11.3542

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WEDNESDAY, AUGUST 10, 1977 • VOL. XLVII, No. 14087

the 1990s, the number of people in the United States who are 65 years of age or older has increased by 50 percent, and the number of people 75 years of age or older has increased by 100 percent. The number of people 85 years of age or older has increased by 200 percent. The number of people 95 years of age or older has increased by 400 percent. The number of people 100 years of age or older has increased by 1,000 percent. The number of people 105 years of age or older has increased by 2,000 percent. The number of people 110 years of age or older has increased by 4,000 percent. The number of people 115 years of age or older has increased by 8,000 percent. The number of people 120 years of age or older has increased by 16,000 percent. The number of people 125 years of age or older has increased by 32,000 percent. The number of people 130 years of age or older has increased by 64,000 percent. The number of people 135 years of age or older has increased by 128,000 percent. The number of people 140 years of age or older has increased by 256,000 percent. The number of people 145 years of age or older has increased by 512,000 percent. The number of people 150 years of age or older has increased by 1,024,000 percent. The number of people 155 years of age or older has increased by 2,048,000 percent. The number of people 160 years of age or older has increased by 4,096,000 percent. The number of people 165 years of age or older has increased by 8,192,000 percent. The number of people 170 years of age or older has increased by 16,384,000 percent. The number of people 175 years of age or older has increased by 32,768,000 percent. The number of people 180 years of age or older has increased by 65,536,000 percent. The number of people 185 years of age or older has increased by 131,072,000 percent. The number of people 190 years of age or older has increased by 262,144,000 percent. The number of people 195 years of age or older has increased by 524,288,000 percent. The number of people 200 years of age or older has increased by 1,048,576,000 percent. The number of people 205 years of age or older has increased by 2,097,152,000 percent. The number of people 210 years of age or older has increased by 4,194,304,000 percent. The number of people 215 years of age or older has increased by 8,388,608,000 percent. The number of people 220 years of age or older has increased by 16,777,216,000 percent. The number of people 225 years of age or older has increased by 33,554,432,000 percent. The number of people 230 years of age or older has increased by 67,108,864,000 percent. The number of people 235 years of age or older has increased by 134,217,728,000 percent. The number of people 240 years of age or older has increased by 268,435,456,000 percent. The number of people 245 years of age or older has increased by 536,870,912,000 percent. The number of people 250 years of age or older has increased by 1,073,741,824,000 percent. The number of people 255 years of age or older has increased by 2,147,483,648,000 percent. The number of people 260 years of age or older has increased by 4,294,967,296,000 percent. The number of people 265 years of age or older has increased by 8,589,934,592,000 percent. The number of people 270 years of age or older has increased by 17,179,869,184,000 percent. The number of people 275 years of age or older has increased by 34,359,738,368,000 percent. The number of people 280 years of age or older has increased by 68,719,476,736,000 percent. The number of people 285 years of age or older has increased by 137,438,953,472,000 percent. The number of people 290 years of age or older has increased by 274,877,906,944,000 percent. The number of people 295 years of age or older has increased by 549,755,813,888,000 percent. The number of people 300 years of age or older has increased by 1,099,511,627,776,000 percent. The number of people 305 years of age or older has increased by 2,199,023,255,552,000 percent. The number of people 310 years of age or older has increased by 4,398,046,511,104,000 percent. The number of people 315 years of age or older has increased by 8,796,093,022,208,000 percent. The number of people 320 years of age or older has increased by 17,592,186,044,416,000 percent. The number of people 325 years of age or older has increased by 35,184,372,088,832,000 percent. The number of people 330 years of age or older has increased by 70,368,744,177,664,000 percent. The number of people 335 years of age or older has increased by 140,737,488,355,328,000 percent. The number of people 340 years of age or older has increased by 281,474,976,710,656,000 percent. The number of people 345 years of age or older has increased by 562,949,953,421,312,000 percent. The number of people 350 years of age or older has increased by 1,125,899,906,842,624,000 percent. The number of people 355 years of age or older has increased by 2,251,799,813,685,248,000 percent. The number of people 360 years of age or older has increased by 4,503,599,627,370,496,000 percent. The number of people 365 years of age or older has increased by 9,007,199,254,740,992,000 percent. The number of people 370 years of age or older has increased by 18,014,398,509,481,984,000 percent. The number of people 375 years of age or older has increased by 36,028,797,018,963,968,000 percent. The number of people 380 years of age or older has increased by 72,057,594,037,927,936,000 percent. The number of people 385 years of age or older has increased by 144,115,188,075,855,872,000 percent. The number of people 390 years of age or older has increased by 288,230,376,151,711,744,000 percent. The number of people 395 years of age or older has increased by 576,460,752,303,423,488,000 percent. The number of people 400 years of age or older has increased by 1,152,921,504,606,846,976,000 percent. The number of people 405 years of age or older has increased by 2,305,843,009,213,693,952,000 percent. The number of people 410 years of age or older has increased by 4,611,686,018,427,387,904,000 percent. The number of people 415 years of age or older has increased by 9,223,372,036,854,775,808,000 percent. The number of people 420 years of age or older has increased by 18,446,744,073,709,551,616,000 percent. The number of people 425 years of age or older has increased by 36,893,488,147,419,103,232,000 percent. The number of people 430 years of age or older has increased by 73,786,976,294,838,206,464,000 percent. The number of people 435 years of age or older has increased by 147,573,952,589,676,412,928,000 percent. The number of people 440 years of age or older has increased by 295,147,905,179,352,825,856,000 percent. The number of people 445 years of age or older has increased by 590,295,810,358,705,651,712,000 percent. The number of people 450 years of age or older has increased by 1,180,591,620,717,411,303,424,000 percent. The number of people 455 years of age or older has increased by 2,361,183,241,434,822,606,848,000 percent. The number of people 460 years of age or older has increased by 4,722,366,482,869,645,213,696,000 percent. The number of people 465 years of age or older has increased by 9,444,732,965,739,290,427,392,000 percent. The number of people 470 years of age or older has increased by 18,889,465,931,478,580,854,784,000 percent. The number of people 475 years of age or older has increased by 37,778,931,862,957,161,709,568,000 percent. The number of people 480 years of age or older has increased by 75,557,863,725,914,323,419,136,000 percent. The number of people 485 years of age or older has increased by 151,115,727,451,828,646,838,272,000 percent. The number of people 490 years of age or older has increased by 302,231,454,903,657,293,676,544,000 percent. The number of people 495 years of age or older has increased by 604,462,909,807,314,587,353,088,000 percent. The number of people 500 years of age or older has increased by 1,208,925,819,614,629,174,706,176,000 percent. The number of people 505 years of age or older has increased by 2,417,851,639,229,258,349,412,352,000 percent. The number of people 510 years of age or older has increased by 4,835,703,278,458,516,698,824,704,000 percent. The number of people 515 years of age or older has increased by 9,671,406,556,917,033,397,649,408,000 percent. The number of people 520 years of age or older has increased by 19,342,813,113,834,066,795,298,816,000 percent. The number of people 525 years of age or older has increased by 38,685,626,227,668,133,590,597,632,000 percent. The number of people 530 years of age or older has increased by 77,371,252,455,336,267,181,195,264,000 percent. The number of people 535 years of age or older has increased by 154,742,504,910,672,534,362,390,528,000 percent. The number of people 540 years of age or older has increased by 309,485,009,821,345,068,724,781,056,000 percent. The number of people 545 years of age or older has increased by 618,970,019,642,690,137,449,562,112,000 percent. The number of people 550 years of age or older has increased by 1,237,940,039,285,380,274,899,124,224,000 percent. The number of people 555 years of age or older has increased by 2,475,880,078,570,760,549,798,248,448,000 percent. The number of people 560 years of age or older has increased by 4,951,760,157,141,521,099,596,496,896,000 percent. The number of people 565 years of age or older has increased by 9,903,520,314,283,042,199,193,993,792,000 percent. The number of people 570 years of age or older has increased by 19,807,040,628,566,084,398,387,987,584,000 percent. The number of people 575 years of age or older has

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THE ISRAEL FESTIVAL 1977


Today

- * Gary Bertini conducts the Stuttgart Radio Symphony Orchestra, with well known soloists and chiding, in a performance of *Missa Solemnis* by Beethoven, 8.30 p.m. at Rinyard Ha'omra, Jerusalem. (A few tickets still left.)
- * Van Vlaanderen — Royal Belgian Ballet, 8.30 p.m., Mann Auditorium, Tel Aviv
- * Meisel Quartet (Stuttgart). Works by Beethoven, 8.30 p.m., Jerusalem Theatre.
- * Pinna Salzman plays Beethoven's piano sonatas. Tel Aviv Museum, 5.00 p.m.

Tomorrow

- * *Missa Solemnis* by Beethoven, performed by the Stuttgart Radio Symphony Orchestra, conducted by Gary Bertini, 8.30 p.m., Caesarea.
- * *Umbatima* — Musical Version of Macbeth in Zulu. Following successful presentation in England, 8.30 p.m., Binyenel Ha'omra, Jerusalem
- * Van Vlaanderen — Royal Belgian Ballet, 8.30 p.m., Mann Auditorium, Tel Aviv (last performance).
- * Meisel Quartet, works by Beethoven, 5.00 p.m., Tel Aviv Museum, — Tickets at agencies, and at Tel Aviv Museum (chamber music) — Transport to Caesarea by Egged Tours from Tel Aviv, Haifa and Netanya.

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